

**Research Report**

**Review of Priority Need in Wales**

Mackie, P.; Gray, T.; Hughes, C.; Madoc-Jones, I.; Mousteri, V.; Pawson, H.; Spyropoulos, N.; Stirling, T.; Taylor, H.; Watts, B.

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# Review of Priority Need in Wales

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## Glossary

Acronym/Key word	Definition
B&B	Bed and Breakfast
COSLA	Convention of Scottish Local Authorities
FTE	Full Time Equivalent (FTE) is a unit that represents working hours of employees on a full-time basis. It is used to compare staffing resources across different contexts. For example, one FTE corresponds to one worker on an 8-hours work schedule per day as well as to two workers on a 4-hours work schedule per day each.
HARSAG	Homelessness and Rough Sleeping Action Group
HB	Housing Benefit
HWA 2014	Housing (Wales) Act 2014
LA	Local Authority
LDP	Local Development Plan
MAPPA	Multi-agency public protection arrangement
NAfW	National Assembly for Wales
NASS	National Asylum Support Service
NHS	National Health Service
NIMBY	Not In My Back Yard
Rapid rehousing	A housing led approach for rehousing people that have experienced homelessness, making sure they reach a settled housing option as quickly as possible rather than staying in temporary accommodation for too long.
PN	Priority Need
PRS	Private Rented Sector
RSL	Registered Social Landlord
TA	Temporary Accommodation



# 1. Introduction

## Research rationale

- 1.1 The Housing (Wales) Act 2014 (HWA 2014) considerably reduced the significance of the Priority Need test within Welsh homelessness legislation. However, for a significant minority of households homelessness is unsuccessfully relieved and in these cases the Priority Need test continues to play a key role in determining which households must be accommodated. In 2018/19 nearly 1,700 households were determined to be homeless but not in Priority Need (Welsh Government, 2019) and therefore owed no accommodation duty.
- 1.2 Furthermore, the number of rough sleepers in Wales has increased in recent years (Welsh Government, 2019), raising concerns that the HWA 2014 is not working effectively enough for this group. Although, it is important to note that Welsh Government is funding several Housing First pilot projects to support these individuals and there is momentum behind improved assertive outreach (Homelessness Action Group, 2019).
- 1.3 The number of households affected by the Priority Need test has significantly reduced as a result of the HWA 2014 (Welsh Government, 2019), yet the continuing role of the test has been questioned, most notably by the National Assembly for Wales (NAfW) Inquiry into Rough Sleeping (NAfW, 2018). The Inquiry presented a number of options, including: phased abolition; the inclusion of rough sleepers as a Priority Need group; an amended definition of vulnerability; and the reinstatement of Priority Need for prison leavers.
- 1.4 Given this context, Welsh Government commissioned Cardiff University, Alma Economics, Cardiff Metropolitan University, Glyndwr University, Heriot-Watt University and independent consultants Tamsin Stirling and Tim Gray, to undertake a study into the potential future options for the Priority Need test in Wales. The research team were not asked to make recommendations to Welsh Government – the study is tasked with providing an evidence base upon which Welsh Government can make informed decisions about the potential future of the Priority Need test in Wales. The research was undertaken between April and October 2019 and has five main objectives:

- I. Develop a clear understanding of the implementation of the Priority Need test in contemporary Welsh legislation.
- II. Draw learning from the abolition of Priority Need in Scotland.
- III. Identify options for change, in relation to the abolition of Priority Need or the extension of Priority Need categories.
- IV. Examine key issues in the implementation processes associated with possible changes to Priority Need.
- V. Explore the wide range of possible impacts of any changes to the Priority Need test.

1.5 It should be noted that this research was undertaken prior to the Covid-19 pandemic and associated lockdown. Therefore, the analysis does not take into account subsequent changes to homelessness policies or interventions, nor the potential economic fallout.

1.6 The remainder of this introductory chapter describes the legislative context surrounding Priority Need in Wales and briefly introduces the Scottish context, where the Priority Need test has been abolished, generating potential lessons of relevance to this research.

### **Homelessness legislation in Wales**

1.7 Since the commencement of the Housing (Homeless Persons) Act 1977, homelessness policy in the UK has been underpinned by legislation entitling homeless people to settled accommodation. There is no other country where homeless people have a legal entitlement of this type that is routinely enforced by the courts (Fitzpatrick and Pawson, 2016; Mackie et al, 2017). However, not all households share this entitlement. The cornerstone of the Housing (Homeless Persons) Act 1977, and Part 7 of the Housing Act 1996, has been the Priority Need test. The test stipulates that the duty on local authorities to secure permanent accommodation only applies where the household is in Priority Need (they must also be eligible to receive public funds and be unintentionally homeless). In broad terms, a household is considered to be in Priority Need if it contains dependent children, a pregnant woman or a vulnerable adult (See paragraph 1.9).

- 1.8 Since the inception of the UK's homelessness legislation, additional groups of people have been added to the statutory list of Priority Need households, ensuring that more homeless people are accommodated and fewer excluded from assistance. For example, the NAFW used secondary legislative powers to introduce The Homeless Person's (Priority Need) (Wales) Order 2001 which broadened the categories of people to be considered in Priority Need to include, for example; care leavers, 16 and 17 year olds, and former prisoners homeless after being released. Similar amendments were made in England, albeit with key differences in relation to the entitlements of prison leavers. This expansion of Priority Need groups at the turn of the century resulted in a considerable increase in the number of people being owed accommodation (Fitzpatrick and Pawson, 2016).
- 1.9 The most recent amendments to homelessness legislation in Wales, in Part 2 of the HWA 2014, significantly altered the role and prominence of the Priority Need test (Mackie et al, 2017). The legislation put in place new prevention and relief duties which were not dependent on whether a person was considered to have a Priority Need. However, within the HWA 2014, the Priority Need test still plays a prominent role in; i] determining access to interim accommodation, and ii] determining who the local authority ultimately must house if prevention and relief efforts fail. Moreover, there is anecdotal evidence to suggest that the Priority Need test may be used in more informal ways to shape the extent and nature of assistance offered during prevention and relief stages of the Act.
- 1.10 The current list of Priority Need categories in Wales is as follows:
- a pregnant woman or a person with whom she resides or might reasonably be expected to reside;
  - a person with whom a dependent child resides or might reasonably be expected to reside;
  - a person who is vulnerable as a result of some special reason (for example: old age, physical or mental illness or physical or mental disability), or a person with whom they reside or might reasonably be expected to reside;

- a person who is homeless or who is threatened with homelessness as a result of an emergency such as flood, fire or other disaster, or a person with whom they reside or might reasonably be expected to reside;
- a person who is homeless as a result of being subject to domestic abuse, or a person with whom they reside or might reasonably be expected to reside (other than the abuser);
- a person who is aged 16 and 17 when the person applies to a local housing authority for accommodation or help in obtaining accommodation, or a person with whom they reside or might reasonably be expected to reside;
- a person who has attained the age of 18, when the person applies to a local housing authority for accommodation or help in retaining accommodation, but not the age of 21, who is at particular risk of sexual or financial exploitation, or a person with whom they reside or might reasonably be expected to reside (other than an exploiter or potential exploiter);
- a person who has attained the age of 18, when the person applies to a local housing authority for accommodation or help in obtaining or retaining accommodation, but not the age of 21, who was looked after, accommodated or fostered at any time while under the age of 18, or a person with whom they reside or might reasonably be expected to reside;
- a person who has served in the regular armed forces of the Crown who has been homeless since leaving those forces, or a person with whom they reside or might reasonably be expected to reside;
- a person who has a local connection with the area and is vulnerable as a result of either: having served serving a custodial sentence, being remanded in or committed to custody, or remanded to youth detention accommodation, or a person with whom they reside or might reasonably be expected to reside

1.11 Welsh Government has stipulated that this study should pay particular attention to Priority Need households who are vulnerable due to some other special reason. The definition of vulnerability has received considerable scrutiny. Case law has played a key role in defining vulnerability, with seminal judgements including Pereira (1998) and more recently, Hotak and others (2015). Importantly, the development of the HWA 2014 preceded the Hotak (2015) judgement. During the drafting of the

HWA 2014 and accompanying statutory guidance, the definition of vulnerability was debated at length and a definition was reached that was more inclusive than the Pereira test that prevailed in England and Wales at the time. However, the Hotak judgement went on to define an even more inclusive test of vulnerability, meaning that the legislation in Wales is currently perceived to be more stringent and less inclusive in relation to vulnerable households than in England (NAfW, 2018).

### **Learning from others: abolition of Priority Need in Scotland**

- 1.12 Given this study will explore the potential abolition of the Priority Need test, there is an opportunity to learn from experiences in Scotland. The Scottish Government legislated for the abolition of the Priority Need test at the turn of the century, achieving the goal in 2012.
- 1.13 Following devolution and the establishment of the Scottish Parliament in 1999, Scotland assumed legislative and policy responsibility for most areas of social policy, including housing and homelessness, though not social security (including Housing Benefit). Homelessness immediately became a core focus of the newly elected Scottish Executive, with the cross-sector Homelessness Task Force set up in August 1999 to: 'review the causes and nature of homelessness... examine current practice... and... make recommendations on how homelessness... can best be prevented and... tackled effectively' (Scottish Executive, 2002: 6). The Task Force published two reports, which made a series of legal, policy and practice recommendations, ranging from housing policy reform, to changes to (reserved) benefits policy, to homelessness prevention and frontline working practices and culture (Anderson, 2007). The recommendation that came to define the Task Force's work and the 'Scottish model' on homelessness was the phasing out of the Priority Need test. This recommendation was taken forward via the Homelessness Etc. (Scotland) Act 2003, which committed to the removal of the test by the end of 2012.
- 1.14 There is a significant opportunity to learn not only about the impacts of legislative change but also to learn about the journey and the process of implementation in Scotland. Yet, it must be recognised that the context in Wales differs, hence it will not be possible to simply assume the same experiences will materialise in Wales.

The evidence points towards three important contextual differences between the two nations:

- 1.15 First, the HWA 2014 ushered in a new legislative framework that means the process people follow and the **entitlements owed are significantly different** from Scotland. For example, in Wales all households eligible for public funds are entitled to meaningful assistance to prevent or relieve homelessness. This was not the case when Scotland introduced changes to Priority Need. Local authorities in Wales also have a far wider range of options available to discharge their housing duties – beyond the reliance on social housing that existed/exists in Scotland.
- 1.16 Second, in Scotland the abolition of Priority Need was also accompanied by **stronger duties on RSLs** to cooperate in accommodating homeless households. Section 5 of the Housing (Scotland) Act 2001 provides that Registered Social Landlords must comply with a local authority's request to provide accommodation unless there is a 'good reason' not to. The context differs in Wales, with fewer levers available to local authorities to require RSLs to cooperate.
- 1.17 Third, the broader social housing context differs in that social housing constitutes a lower percentage of stock in Wales (17%) compared to Scotland (22%) (Chartered Institute of Housing, 2019).

### **Report structure**

- 1.18 The report begins with a brief overview of selected literature on the Priority Need test. This is followed by a description of the multi-method, iterative methodology which includes qualitative and quantitative research in both Wales and Scotland. The majority of the report is then allocated to a discussion of five research findings chapters: Perspectives on Priority Need today; Lessons from the abolition of Priority Need in Scotland; Potential future options for Priority Need in Wales; an exploration of the key barriers and enablers to effective implementation of potential future options; and modelling the potential impacts of the future options. The final conclusions chapter summaries the research findings. Importantly, this study does not seek to make recommendations to Welsh Government – the report intends to provide an evidence base upon which Welsh Government can make informed decisions about the potential future of the Priority Need test in Wales.

## **2. Literature review**

### **Introduction**

- 2.1 This literature review aims to provide an overview of the existing qualitative evidence on the Priority Need test in Wales. Whilst the review pays particular attention to literature in a Welsh context, it also draws on relevant studies from across the UK. The evidence search for the literature review was undertaken in April 2019 and was restricted to studies published between 1999 and 2019 on the basis that this would capture all post-devolution policy changes. Importantly, it is recognised that findings must be carefully interpreted in the specific legal context of the time they were written.
- 2.2 The specific key words used in the search of titles, keywords and abstracts were: homeless AND Priority Need OR vulnerability OR legislation. A search was also undertaken using the term Housing (Wales) Act.
- 2.3 Three primary methods were pursued to identify the literature.
- Google Scholar was searched for the period 1999-present.
  - Recognising that a significant volume of homelessness research is not published by commercial academic publishers (grey literature) and may not be identified through Google Scholar, the evidence search also included a search of key Welsh and UK housing and homelessness organisation websites, including: Crisis, Cymorth Cymru, Homeless Link (UK), The Wallich, Shelter Cymru, and Welsh Government.
  - Key references within reviewed literature, and not identified through other search mechanisms, were also searched.
- 2.4 The literature review adopted a grounded approach in the identification of themes. The following five main themes emerged: the housing outcomes of Priority Need households; the vulnerability test; legal consciousness and levels of awareness of Priority Need status; debates relating to particular population subgroups and the Priority Need test; and perspectives on potential amendments to the Priority Need test.

## **The housing outcomes of Priority Need households**

- 2.5 The broad message from existing evidence is that being in Priority Need generally leads to a positive outcome and in particular, outcomes appear to be more favourable when compared to non Priority Need households (Anderson and Serpa, 2013; Fitzpatrick and Pleace, 2012; Mackie and Thomas, 2014). Yet, Priority Need does not always result in a suitable housing outcome. Fitzpatrick et al (2017) point to the approximately 20% of households in Wales for whom Priority Need does not lead to a positive discharge of duty. They argue that whilst this might be because a household resolves their own homelessness, it is also possible that the household refuses an offer they deem unsuitable.
- 2.6 Four main determinants of housing outcomes emerge from the literature. First, Ahmed et al (2018) identify the importance of local housing market conditions – outcomes tend to be less favourable where there is a lack of affordable and suitable social and privately rented accommodation. Fitzpatrick and Pleace (2012) reached the same conclusion, stating that in areas of greatest ‘housing stress’ households will experience more protracted and less satisfactory temporary accommodation pathways. Second, the welfare benefits system has a fundamental role in shaping the housing outcomes of Priority Need households, particularly for young single people under the age of 35 who are only eligible for shared room rates. The lack of shared accommodation and the preference for many young people not to enter shared accommodation in Wales means the options available to young people under the age of 35 are limited (Ahmed et al, 2018). Third, the use of B&Bs and unsuitable temporary accommodation, often for long periods, can negatively impact on the likelihood of a household securing suitable long term accommodation (Humphreys et al, 2007; Stirling, 2004). The fourth factor identified as influential on housing outcomes is front-line staff (Ahmed et al, 2018). For example, Alden (2015) claims that staff may gatekeep, or make decisions about who to assist, on the basis of limited resources, pressure from supervisors, and individual personal values and judgements.



### **The vulnerability test**

- 2.7 The vulnerability test is an important component of the wider Priority Need test. If a person is deemed 'vulnerable' for some other special reason then they are in Priority Need. The current test in Wales defines someone as vulnerable if; 'the person would be less able to fend for himself or herself if the person were to become street homeless than would an ordinary homeless person who becomes street homeless'.
- 2.8 Studies making reference to the vulnerability test within English and Welsh homelessness legislation point to two main criticisms of the test. The first relates to the conceptualisation of the test itself; it drives individuals to become more vulnerable in order to access help (Dwyer et al, 2015; Pleace 1998). The test is therefore poorly aligned with a desire to prevent harm. The second issue relates to implementation; front-line staff are subjectively making value based judgements about who is vulnerable and who is not (Dwyer et al, 2015). Indeed, Dwyer et al (2015) found evidence in England of vulnerabilities specified in the Code of Guidance being overlooked.
- 2.9 More specifically, it is worth noting that there is a literature on the evolution of the vulnerability test in homelessness legislation (Loveland, 2017; Meers, 2015). These studies document the shift, in England at least, in the comparator used to assess vulnerability. The 'Pereira' test established 'the ordinary homeless person' as the comparator and this was actioned as the ordinary street homeless person. More recently in England, the Hotak judgement has redefined the comparator as 'ordinary people', which has the effect of reducing the threshold at which someone would be defined vulnerable. It is also worth noting that the Hotak judgement allows local authorities to take into account the availability of third party support, such as from family members, in reaching a decision about someone's vulnerability (Loveland, 2017; Meers, 2015).

### **Legal consciousness: levels of awareness of Priority Need status**

- 2.10 Watts (2014) in her comparative study of Scotland and Ireland, concluded that a framework of legal rights promotes a sense of entitlement amongst homeless people and a view that their use of public resources is legitimate. In essence, being

owed a full housing duty has an empowering effect on a homeless person. Yet, this requires the household to have some awareness of their rights. In the Welsh context, Ahmed et al (2018) in their evaluation of Part 2 of the HWA 2014, found mixed awareness amongst homeless people of the duties owed to them.

### **Priority need subgroups: recent debates**

- 2.11 This subsection reflects on the findings of recent studies of particular subgroups of the homeless population and their experiences of Priority Need. Highlighted below are some of the contemporary challenges and contentions facing these groups.
- 2.12 Prior to the commencement of the HWA 2014, being **single** and non Priority Need generally resulted in a very poor homelessness service experience (Dobie et al, 2014; Jones and Pleace, 2010; Mackie and Thomas, 2014). Yet, evidence suggests the experiences of these households have markedly improved in Wales (Ahmed et al, 2018; Mackie et al, 2017). Ahmed et al (2018) claim that these households benefited the most from the legislative changes in Wales, albeit accommodation challenges remain acute for single person households due to the lack of affordable single person and shared accommodation.
- 2.13 **Rough sleepers** do not appear to be benefiting significantly from the introduction of the HWA 2014. Ahmed et al (2018) conclude that rough sleepers have not benefited from the HWA 2014 because they are beyond a point where prevention is possible and the legislation does not require the forms of intensive intervention that these households need.
- 2.14 Prior to the commencement of the HWA 2014, homeless **prison leavers** were considered to be in Priority Need. Studies have documented many of the challenges faced by prison leavers and local authorities prior to the commencement of the HWA 2014, whereby temporary accommodation and settled accommodation was not always secured for homeless prison leavers despite their Priority Need status (Humphreys and Stirling, 2008; Mackie, 2008). In the HWA 2014 the 'automatic' Priority Need status was removed for prison leavers and it has led to very mixed views across the homelessness sector. Madoc-Jones et al (2018) conclude that local authority stakeholders were mostly supportive of the removal of Priority Need status in Wales due to; a] the morality of providing greater assistance to an offender

over an individual who had not offended, and b] the previous legislation provided an incentive to reoffend (e.g. in order to get housing). Since the removal of Priority Need status, studies have documented the receding support offered to homeless prison leavers, particularly a reduction in access to temporary accommodation (Ahmed et al, 2018). Moreover, prevention efforts are often deemed to be failing with this group. Hence, there is broad agreement that prison leavers are now fairing badly (Crisis, 2018; Mackie et al, 2017) and prison leavers themselves lament the loss of Priority Need status in Wales (Madoc-Jones et al, 2018).

- 2.15 Since the original inception of UK homelessness legislation in 1977, the protection and rights afforded to **young people** have been strengthened over time. For example, in the early 2000s Priority Need categories were extended to include 16-17 year olds and care leavers aged 18-21 (Quilgars et al, 2008). Care leavers in particular are perceived to be well protected by the homelessness legislation (Ahmed et al, 2018). Yet, studies also identify concerns about the lack of priority afforded to 'older' young people up to 25 years old (Mackie and Hoffman, 2011; Mackie et al, 2012a; Quilgars et al, 2008). Additionally, Ahmed et al (2018) identify the potential moral hazard, whereby there are fears amongst some in the sector that Priority Need status may encourage some young people to leave home before the age of 18 whilst they are still eligible for assistance.
- 2.16 Few studies provide an insight into **older people** and homelessness. However, one study by Alden (2017) with more than 270 local authority housing options teams does report an apparent trend towards stricter interpretations of vulnerability and old age. Alden (2017) attributes this shift to both resource shortages and a reassessment of the age at which somebody becomes 'older'.
- 2.17 Ahmed et al (2018) comment on the experiences of people facing **domestic abuse**. They conclude that Priority Need status ensures services are available, albeit there are sometimes challenges in securing appropriate accommodation, particularly where domestic abuse may be one of multiple issues. The key concern for people facing domestic abuse is reportedly the demands placed upon them to provide evidence of homelessness and violence or abuse (Ahmed et al, 2018).

2.18 Ahmed et al (2018) found service users with **physical disabilities**, particularly those who used wheelchairs or had difficulties using stairs, had challenges in obtaining appropriate housing, despite their Priority Need status. Moreover, Ahmed et al (2018) reported that service providers in Wales identified **mental health** of service users as the most significant issue for them – creating particular difficulties in securing suitable and sustainable housing outcomes.

### **Perspectives on amending Priority Need**

2.19 This final section of the literature review summarises previously proposed potential amendments to Priority Need, particularly in the Welsh context. This literature is principally useful in identifying options to explore in the fieldwork of the current study.

2.20 Prior to the HWA 2014, Mackie and Hoffman (2011) undertook a small-scale study of stakeholder perspectives on the Welsh homelessness legislation and they found broad support for **retaining the existing Priority Need categories**. The main exception related to prison leavers. As discussed above, prior to the HWA 2014 prison leavers had Priority Need status in Wales and there was significant disagreement across the sector about whether this should be retained.

2.21 Some studies prior to the inception of the HWA 2014 and post-HWA 2014 have identified support for **amendments to the Priority Need groups** in Wales:

- First, studies identify support for the inclusion of young people, particularly care leavers, **up to the age of 25** as a Priority Need group (Mackie et al, 2012b; Whalen, 2015).
- Second, very mixed views have been expressed on the potential reinstatement of **prison leavers** as a Priority Need group. Both Ahmed et al (2018) and Madoc-Jones et al (2018) reported views that the removal of Priority Need for this group had been a mistake – this was a view held particularly strongly by prison based stakeholders, albeit these were countered by local authority housing options staff.
- The third group frequently identified as a potential additional Priority Need group is **rough sleepers** (Jackson, 2018; Jones and Pleace, 2010; Mackie et al, 2012b).

- 2.22 The **phased abolition** of Priority Need has been advocated for (Mackie et al, 2012b), perhaps most notably in seminal work undertaken by Crisis in their Plan to End Homelessness (2018). Crisis (2018) argue that the abolition of Priority Need would help to ensure settled housing is provided to all homeless households. However, interviewees in most studies in recent years have commented on the significant resource implications of doing so (Ahmed et al, 2018; Mackie et al, 2012a) and the overwhelming shortage of suitable and affordable housing (Ahmed et al, 2018; Fitzpatrick and Pawson, 2016; Jones and Pleace, 2010). Yet, these studies also recognise the resource intensive processes associated with proving (and disproving) Priority Need.
- 2.23 An additional potential future option discussed in some studies is the **extension of a temporary accommodation duty** to all households, irrespective of Priority Need (Ahmed et al, 2018; Crisis, 2018; Fitzpatrick et al, 2012; Mackie et al, 2012b; Mackie et al, 2017). This amendment would ensure no individual has to sleep rough. However, extending a temporary accommodation duty to all households, without any duty to provide settled accommodation, could result in long and uncertain stays in temporary accommodation. Additionally, Jackson's (2018) research demonstrates the importance of meeting decent standards of temporary accommodation, or else there will be a reluctance by people experiencing homelessness to make use of this provision.
- 2.24 Finally, whilst there is clearly evidence within the existing literature of support for extending or abolishing Priority Need, there is also a persistent caution regarding the potential **moral hazard**, whereby there may be a perverse incentive for households to have themselves defined as homeless in order to gain access to housing (Fitzpatrick and Pleace, 2012; Fitzpatrick and Watts, 2010). Yet, these cautions generally relate to a context when Priority Need entitled households to social housing, rather than the mix of options currently available to local authorities in Wales to discharge their duties.

## Chapter summary

- 2.25 This review of literature on the Priority Need test discussed five main themes: the housing outcomes of Priority Need households; the vulnerability test; legal consciousness and levels of awareness of Priority Need status; debates relating to particular population subgroups and the Priority Need test; and perspectives on potential amendments to the Priority Need test.
- 2.26 In relation to the **housing outcomes of Priority Need households**, the broad message from existing evidence is that being in Priority Need generally leads to a positive outcome, particularly when compared to non Priority Need households.
- 2.27 **Four main determinants of housing outcomes** for Priority Need households emerge from the literature. Outcomes seem to worsen in contexts where: local housing markets are under greatest stress; housing benefit entitlements do not meet the costs of available accommodation; B&Bs and unsuitable temporary accommodation are used for long periods and lead to disengagement from the system; and discretion of front-line staff leads to exclusion of some households.
- 2.28 Studies making reference to the **vulnerability test** within English and Welsh homelessness legislation point to two main criticisms of the test: it drives individuals to become more vulnerable in order to access help; and front-line staff are subjectively making value based judgements about who is vulnerable and who is not.
- 2.29 Studies demonstrate how **legal rights** (afforded by Priority Need) promote a **sense of entitlement** amongst homeless people and a view that their use of public resources is legitimate. However, this requires the household to have an awareness of their rights and this is not always the case in the Welsh homelessness context.
- 2.30 Studies have documented the experiences of the Priority Need test of different population subgroups. Evidence suggests **single people** have markedly improved since the commencement of the HWA 2014. Also, **young people**, particularly 16-17 year olds and care leavers, are perceived to be well protected by the homelessness legislation. However, there are concerns about the lack of priority afforded to 'older' young people up to 25 years old. The Priority Need status of people facing **Domestic Abuse** ensures services are available, albeit

there are challenges sometimes in securing appropriate accommodation and concerns over having to prove violence or abuse.

- 2.31 Some population subgroups appear to face very **challenging experiences**, particularly **rough sleepers**. Whilst views on the removal of Priority Need status for homeless **prison leavers** are mixed, studies have documented the receding support offered to this population subgroup. Some specific concerns have also been raised in relation to the priority and support offered to **older people**, people with **physical disabilities and people with mental health** support needs.
- 2.32 The literature review identifies four previously discussed **potential future options for the Priority Need test** in Wales: 1] Retention of the status quo; 2] Extending Priority Need categories, potentially to include young people, particularly care leavers up to age 25, prison leavers and rough sleepers; 3] Abolition of the Priority Need test; and 4] The extension of a temporary accommodation duty to all households, with no accompanying responsibility to provide settled accommodation. Whilst there is support for extending or abolishing Priority Need, there is also a persistent caution regarding the potential **moral hazard**, whereby there may be a perverse incentive for households to have themselves defined as homeless in order to gain access to housing.
- 2.33 The findings of this brief literature review provide a useful basis upon which to build and to explore the potential future options for the Priority Need test in Wales. The literature will inform the questions and options to be explored during the fieldwork of the current study. The next chapter provides an overview of the research methodology.

### 3. Methodology

- 3.1 The research was undertaken in five phases, with multiple qualitative and quantitative methods employed.
- 3.2 It should be noted that this research was undertaken prior to the Covid-19 pandemic and associated lockdown. Therefore, the analysis does not take into account subsequent changes to homelessness policies or interventions, nor the potential economic fallout. This methodology chapter summarises the methods used at each phase of the study:

- Phase One: Sector workshops examining Priority Need in Wales  
Lived experience workshops examining Priority Need in Wales
- Phase Two: Local and national stakeholder interviews in Wales  
Scotland review: consisting of a desk-based review, policy roundtable, and stakeholder interviews
- Phase Three: Sector workshops: validating the options and exploring impacts and implementation
- Phase Four: Impact modelling: consisting of a desk-based quantitative data analysis of Priority Need in Wales, a local authority stakeholder data survey, and a modelling exercise
- Phase Five: Data analysis and reporting

#### Phase One

- 3.3 Phase One consisted of workshops with sector stakeholders in North Wales (Wrexham) and South Wales (Cardiff) and two lived experience workshops in South Wales, one facilitated by Shelter Cymru and the other by Llamau.
- 3.4 The **aim of the workshops** was to engage a wide range of informed people in the review at an early stage and to begin to explore the implementation of the Priority Need test in Wales and to identify options for change.
- 3.5 The **format of the workshops** differed for sector stakeholders and people with lived experience. In both groups participants were welcomed and introduced to the



aims of the study and the purpose of the workshop. The lived experience group remained as a single group for the duration of the workshop, whereas sector workshop participants were split into smaller focus groups of 10-15 people. Each group was facilitated by one of the project team members, using the same broad agenda/script (Annex A). The workshops were split into two sessions, with each session focusing on a different research objective: i] Priority Need in Wales today and ii] Exploring future options for Priority Need in Wales. In North Wales one of the focus groups was conducted in the medium of Welsh. Discussions were recorded, transcribed and translated where necessary.

3.6 **Sampling and recruitment** for the workshops adopted a purposive approach, seeking representation from across the homelessness sector and a diverse range of voices of people with lived experience.

3.7 Sector workshop participants representing national organisations and umbrella bodies were recruited through direct email contact and these were asked to extend the invitation to their members and/or their staff, including front-line homelessness services staff. In total, 30 people participated in North Wales and 50 people participated in Cardiff. Whilst the majority of participants were either in local authority homelessness services or RSLs, participants represented a diverse range of organisations, including organisations representing different subgroups of the homeless population (e.g. age, household type, gender, ethnicity):

- Academics
- Chartered Institute of Housing Cymru
- CAIS
- Community Housing Cymru
- Community Care Collaborative
- Crisis
- Cymorth Cymru
- Llamau
- Local Authority Housing Options Managers and front-line staff
- Prison Link Cymru
- Probation
- Rough Sleepers Cymru
- Registered Social Landlords
- Shelter Cymru
- Tai Pawb
- The Wallich
- Voices from Care
- Welsh Women's Aid

- Local Authorities Homelessness Network and Supporting People Network
- Welsh Local Government Association

3.8 Lived experience workshop participants were recruited through Shelter Cymru and Llamau. These organisations were approached because they were able to identify potential participants from different subgroups of the homeless population. Shelter Cymru recruited 5 people, including a mix of men and women, of different ages and household types. Llamau recruited two young people, one male and one female. It is worth noting that a third group with single homeless people was arranged through The Wallich but no participants attended. The limited voices of people with lived experience is recognised as a limitation of this study.

### **Phase Two**

3.9 Phase Two consisted of local and national stakeholder in-depth interviews in Wales and a package of work in Scotland.

#### *Local and national stakeholder in-depth interviews in Wales*

3.10 In addition to focus group discussions at the sector workshops, selected stakeholders were given the opportunity to express their views through individual in-depth interviews. **Interviews aimed** to elicit the views of stakeholders across all of the research objectives/questions.

3.11 **Interviews were mostly conducted by telephone**, with an average duration of approximately 45 minutes to one hour. Interviewees were sent an information sheet, consent form and the interview script (Annex B) prior to the interview. Interviews were recorded, transcribed and translated where necessary.

3.12 Again, **sampling and recruitment adopted a purposive approach**, seeking representation from across the same diverse range of homelessness sector voices as the sector workshops. In total, 55 people were interviewed: 19 from local authorities; 16 from RSLs, and 20 from across the third sector and umbrella body organisations – all of which are identified in the list of organisations engaged in the Phase One sector workshops. Notably, RSLs were recruited from across different Welsh regions and with different portfolio sizes.

### *Scotland review*

- 3.13 The Scotland review drew upon three main sources: existing evidence (collated via a brief desk-based evidence review); quantitative analysis of relevant statutory data; and a series of interviews and a 'Policy Reunion'. The Scotland review **aimed to elicit learning** from the abolition of Priority Need in Scotland.
- 3.14 The **quantitative analysis of relevant statutory data** draws upon Scottish Homelessness statistics (HL1 and HL2) and the Scottish Housing Regulator ARC data from 1999 to the present day. The analysis explores homelessness presentations and acceptances, temporary accommodation use, and social housing lets.
- 3.15 The **desk-based review** explored key literatures on the abolition of the Priority Need test in Scotland. Rather than produce a discrete literature review, the findings are integrated throughout Chapter 5. The key themes explored in the literature are the same as those considered in the qualitative fieldwork in Scotland, namely: the motivations, process, and impacts of phasing out the Priority Need test, as well as the merits and weaknesses of current homelessness law in Scotland.
- 3.16 Finally, **qualitative fieldwork** in Scotland involved 11 key sector stakeholders who were involved in some way in the phasing out of the Priority Need test. Stakeholders were purposively selected to include those involved via their senior roles in the national statutory homelessness sector (3), local authority homelessness teams (3), voluntary sector homelessness organisations (3) and Housing Associations (2). Two mechanisms of engagement were used; i] in-depth individual interviews; and ii] a Policy Reunion.
- 3.17 **In-depth interviews** lasted between 45 minutes and one hour and were recorded and transcribed. The **Policy Reunion** was an important component of the methodology. Policy reunions bring together key actors who were involved in the development of a policy – in this case the Homelessness Etc. (Scotland) Act 2003. The policy actors were tasked with reflecting collectively on their experiences of developing and implementing the Act.

### **Phase Three**

- 3.18 Phase Three involved returning to homelessness sector stakeholders through two workshops – again, one in North Wales and one in South Wales. The **aim of these workshops** was two-fold: i] to validate the potential future options; and ii] to delve into the implementation challenges associated with the different options.
- 3.19 The **format of these workshops** was broadly similar to the Phase One workshops. Participants received a short presentation describing the strengths and weaknesses of Priority Need in Wales today, the key lessons from Scotland, and emerging potential future options for change. Participants were then split into smaller focus groups of 10-15 people. Each group was facilitated by one of the project team members, using the same broad interview agenda/script (Annex C). The group discussions were split into two sessions, with each session focusing on a different issue: i] validating the future options and exploring potential impacts; and ii] exploring the main barriers and enablers for implementation. In North Wales one of the focus groups was conducted in the medium of Welsh. Discussions were recorded, transcribed and translated where necessary.
- 3.20 **Sampling and recruitment** for the workshops again adopted a purposive approach. Every effort was made to re-recruit those who had attended the Phase One workshops, whilst also welcoming participation of individuals who had not previously been engaged. Ultimately, the same organisations were represented in the Phase One and Phase Three workshops. In total, 25 people participated in North Wales and 45 people participated in Cardiff.

### **Phase Four**

- 3.21 Phase Four **aimed to model** the likely impacts of different potential future options for Priority Need in Wales. Phase Four began with an interim analysis of qualitative data on the anticipated impacts of change, gathered during the first three phases of the study. This qualitative data provided a clear steer on the anticipated areas and scale of impact. Phase Four then consisted of three main methods: i] a desk-based review of published quantitative data relating to Priority Need in Wales; ii] a local authority stakeholder data survey; and iii] an impact data modelling exercise. This methodology provides a brief overview of each of these methods, however the

details of the data modelling exercise, including the key assumptions, can be found in Annex E.

- 3.22 The **desk-based review** of data relating to Priority Need in Wales provided important, already published, quantitative data and literature to inform the impact modelling process. Significantly, this review process was iterative. As the impact modelling exercise developed, further data were sometimes sought in order to inform assumptions. StatsWales constituted the main source of open access, already published data.
- 3.23 The **local authority stakeholder data survey** (Annex D) aimed to gather sufficient data to be able to model the impacts of possible changes to Priority Need in Wales. The survey sought to fill key gaps within the StatsWales data. The local authority stakeholder data survey was conducted online and included requests for data on: levels of demand for Housing Options services by particular subgroups; support/services provided; staffing levels; and the use and cost of temporary accommodation. The survey was distributed to all 22 local authorities and responses were received from 14.
- 3.24 The **impact modelling exercise** is by far the most methodologically complex element of the study and is described in full in Annex E. In broad terms the impact modelling exercise sought to model the impacts of each of the main potential future options for the Priority Need test in Wales. The following areas of impact were included in the analysis:
- Demand for temporary accommodation;
  - Cost of covering temporary accommodation needs;
  - Demand for suitable accommodation offered by local authorities under the full housing duty;
  - Costs of providing services to secure suitable accommodation including rent, deposit, and rent arrears payments;
  - Staffing resources for providing services to households in Priority Need mainly including Housing Options staff;
  - Cost of housing benefit awarded to households being offered suitable accommodation by local authorities (this impact would fall on UK Government);

- Savings from outreach services provided to people who sleep rough; and
- Savings from wider costs associated with rough sleeping and homelessness, including drug and alcohol treatment, NHS, mental health services as well as contacts with the criminal justice system (savings to the criminal justice system would lie with UK Government)

### **Phase Five**

- 3.25 In this final phase of the study, the data were analysed, then drawn together in order to respond to the research objectives. Quantitative data analysis techniques relating to impact modelling have already been discussed (and is set out in Annex E), therefore the focus of this brief section is on the qualitative data analysis method.
- 3.26 The significant volume of qualitative data (55 interview transcripts and 14 workshop transcripts) were imported into NVivo and analysed thematically. Data were initially coded according to the research objectives. This ensures data from each of the different sources (stakeholder interviews + sector workshops) is combined and a common process of analysis is achieved. Data relating to each research objective was then coded further, employing a grounded approach to reveal the key themes and findings.
- 3.27 The use of a systematic and robust coding approach enabled the research team to effectively weigh up balance of opinion on each issue. Given the combination of individual interview and stakeholder workshop data, it is not possible to precisely quantify the weight of opinion in relation to each issue. Instead, the report adopts a common set of terms to indicate, where possible and relevant, where the weight of opinion lies:
- 'Majority' refers to roughly more than half of the research participants
  - 'Many' refers to roughly half of the research participants
  - 'Some' refers to roughly fewer than half but more than five participants
  - 'Few' refers to roughly less than five participants

## **Chapter summary**

- 3.28 This chapter set out the research methodology, consisting of four iterative phases of research and a fifth phase focused on analysis and reporting.
- 3.29 Phase One explored perspectives on Priority Need today and potential future options. It consisted of sector workshops in North and South Wales, involving 80 people from the homelessness sector, and two lived experience workshops with five adults and two young people. The limited voices of people with lived experience is recognised as a limitation of this study.
- 3.30 Phase Two included in-depth interviews with 55 local authority and national stakeholders in Wales, exploring the full breadth of the research questions. This phase also included a package of research in Scotland to learn from experiences there of abolishing Priority Need. The Scotland review consisted of a desk-based review, policy roundtable, and stakeholder interviews involving 11 stakeholders in total.
- 3.31 Phase Three involved returning to homelessness sector stakeholders in North and South Wales through two workshops. The workshops validated the Phase One and Two findings and delved into the implementation challenges associated with the different potential future options for Priority Need in Wales. In total, 70 people participated in the Phase Three workshops.
- 3.32 Phase Four aimed to model the likely impacts of different potential future options for Priority Need in Wales. This process consisted of a desk-based quantitative data analysis, a local authority stakeholder data survey, and a modelling exercise.
- 3.33 Having described the research methodology and the approach to analysis and reporting, the next five chapters present the findings of the research.

## 4. Perspectives on Priority Need in Wales today

4.1 This chapter draws upon data gathered during interviews and workshops with stakeholders in the homelessness sector and workshops with people with lived experience of homelessness to explore perspectives on Priority Need in Wales today. An analysis of participant views identified five themes relating to the strengths and weaknesses of the Priority Need test. Each of these will be examined in this chapter:

- Exclusion and prioritisation;
- Inconsistency;
- Trauma;
- Resources and bureaucracy; and
- Outcomes for Priority Need households

Participants also commented on two related tests within the HWA 2014 and these will also be discussed:

- Local connection; and
- Intentionality

### Exclusion and prioritisation

4.2 One of the weaknesses of the Priority Need test identified by the majority of participants in the research was that some homeless people can ultimately be **turned away without a solution**, potentially to significant detriment to themselves and to society. Participants described potential consequences, including impacts on health, offending, and worsening housing circumstances. Participants from local authorities, the third sector, umbrella body organisations, and people who have experienced homelessness, pointed to this as **an injustice**, with some describing it as **immoral**. One local authority participant stated;

*' I ' v e w o r k e d o v e r 1 2 , e a r s a c t u a l l y a l o n g t i m e , t o o l o n g o w m a i n h o m e l e s s n e s s a n d f o r a l o n g t i m e I ' v e j u s t t h o u g h t t h a t t h e w h o l e n o t i o n o f P r i o r i t y N e e d i s u n c i v i l i s e d , i t ' s i m m o r a l a n d e v e r y d a y I h a v e t o m a k e d e c i s i o n s t h a t i n t e r n a l l y , b a s e d o n l o c a l a u t h o r i t y i n t e r v i e w e e , t A p r i l h i n k 2 0 1 9 )*



4.3 Many participants from across the sector, but particularly the third sector and umbrella body organisations, described how households were not only excluded through the formal implementation of the Priority Need test but it was also reportedly **being used to gatekeep**. Participants explained that some non Priority Need households were deterred from accessing assistance on the basis of their likely non priority status and misinformation about their subsequent entitlements. Importantly, gatekeeping was reported to be taking place in local authority homelessness services but also in other services.

*' We have got single people who are not coming they have probably got advice that they are not Priority Need, they are not having the assessment, they are sort of having the assessment done by some support or some groups, and being told, " don't bother coming for Priority Need", not understanding that we would have lost all of that simply because somebody says to you, you are not Priority Need.' And our groups, single males are not getting the help that they should be provided because they are not coming (Local authority interviewee, May 2019)*

4.4 Whilst the majority of participants claimed the key weakness of the Priority Need test is that it turns some homeless people away with no solution, they also felt that within current resource constraints some form of prioritisation was required to provide a safety net for the most vulnerable.

*' We have chronic under supply of social housing therefore it has to be prioritised (Umbrella body representative interviewee, May 2019)*

4.5 In this context, the Priority Need test was perceived by the majority of participants to **target and provide a safety net for many of the most vulnerable groups** (e.g. 16-17 year olds, families with dependent children, people facing domestic abuse) and if prioritisation is necessary then these are the right groups to prioritise, although there was an acknowledgement that some very vulnerable people were excluded, particularly rough sleepers.

*' Whether there're additional something else, that but as it is, it certainly does cover the most vulnerable maybe with the exception of rough (social) priority interviewee, June 2019)*

- 4.6 Participants argued that the exclusion of some vulnerable people resulted from a relatively high threshold being used to assess vulnerability, despite the limited evidence requirements set by the reason to believe test. The test requires a local authority to offer interim accommodation where there is a reason to believe a household may be vulnerable and in Priority Need. This threshold was set at the same level as previous legislation (Section 188 of Housing Act 1996) by Welsh Government<sup>1</sup> and was intended to relieve households and support agencies from demanding expectations around evidence of vulnerability when making an initial homelessness application. Participants suggested there were instances where households were unreasonably expected to provide evidence of their vulnerabilities on initial application;

*' I don't know why I've not been taken off as obviously we're the ones on the ground doing the interviews. We have the reason to believe, and we make that very clear, with the vulnerabilities that they possess. We get the medical information - even though the onus is on us to get it, but it's easier to try and push it through if we get the information. I don't think the test is being applied (Third sector interviewee, May 2019)*

- 4.7 Participants explained that the current application of the vulnerability test in some local authorities was resulting in **potentially vulnerable people being excluded** from access to interim accommodation and support. In contrast, some local authorities perceived that **the reason to believe threshold was set too low** and resulted in over-stretched temporary accommodation provision.
- 4.8 Participants were also critical of the vulnerability test because it requires people to have amassed significant support needs and become so vulnerable that they 'earn' priority status. Participants described how this **encouraged people to become more vulnerable** and was inconsistent with wider preventative policy within Wales.

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<sup>1</sup> As established in the case of R vs Westminster (in respect of interim accommodation).

4.9 Despite the exclusion inherent within the law and the fact that the law generally attempts to prioritise the most vulnerable, participants revealed how in practice several local authorities were operating, at least to some extent, as if all households were in Priority Need – they were **o p e r a t i n g l a r g e l y ' P r i o r i t y** Relatedly, some participants discussed how Official Statistics returned to Welsh Government failed to represent the many instances where non Priority Need households were assisted beyond the discharge of the homelessness duty until settled accommodation was secured. In these instances Priority Need provided an important safety net for the most vulnerable but local authorities sometimes went beyond the legislative duties.

*' Well , I t h i n k i f y o u l o o k a t t h e s t a t s , households who are considered to still be homeless and not have Priority Need. But I also think the stats don't show that local authorities continue to work with all of those households. So the stats require that we close a case but we all continue to work and provide support to try to get a solution in each case but we h a v e n ' t v . e w e g o t n o w a y o f s o r t o f s h o w i n g t o s o m e o f t h e e v i d e n c e o f d o e s P r i o r i t y N e e d a c t u a l l y m a t t e r ? ( S o u t h W a l e s stakeholder workshop, May 2019)*

### **Inconsistency**

4.10 When asked about the extent to which Priority Need was implemented consistently, the participants were almost unanimous in their conclusion – **the test was implemented inconsistently** across Wales and often within individual local authorities. Many examples of inconsistent decision making were given, often with reference to the experiences of particular groups such as young people, rough sleepers and prison leavers.

*' Y e a h , w e l l , m y o r g a n i s a t i o n o p e r a t e s a c r o s s a k i n d o f c o m p a r e a n d c o n t r a s t ... T h e r e ' s w h e n p e o p l e w h o a p p a r e n t l y h a v e v e r y s i m i l a r c i r c u m s t a n c e s a r e t r e a t e d q u i t e d i f f e r e n t l y d e p e n d i n g o n t h e l o c a l a u t h o r i t y b e t w e e n g e t t i n g , y o u k n o w , a d u t y o w e d t o t h e m i n c o n s i s t e n t l y ( S o u t h W a l e s s t a k e h o l d e r w o r k s h o p , M a y 2 0 1 9 )*

- 4.11 More specifically, participants pointed to **the vulnerability test as a key source of inconsistency** in decision making across Wales. Participants explained that **the test itself is subjective** and inevitably leads to these inconsistencies. As one local authority participant stated; *'there is a difference of opinion vulnerable and who shouldn't be vulnerable slightly. It is just not very clear, even if you read the statutory guidance along with it, it is still not very clear, and obviously* (Local authority interviewee, May 2019)
- 4.12 **The role of front-line workers** appears to be pivotal in determining who gets assisted and how. Some participants suggested judgements about vulnerability and Priority Need were sometimes made by workers on **moral grounds**. The concern amongst participants was that staff may make judgements about deserving and underserving individuals, perhaps based on an individual's behaviour towards the staff member or an assumption about an individual's responsibility for their vulnerabilities. Additionally, front-line staff reportedly sometimes made **relative judgements**, whereby a vulnerable individual might not be determined to be in Priority Need because others who have sought help faced more apparent and complex needs.
- 4.13 Notably, some participants highlighted the **importance of advocates** in determining decisions and outcomes for households. Organisations such as Shelter Cymru, Welsh Women's Aid, Gofal and Llamau were mentioned as key advocates. One third sector participant stated; *'if they've got advocates available, if they accompany somebody through the process, and stand alongside them doing the advocacy, then they're more likely to get a favourable response'* (Third sector interviewee, May 2019). Whilst it is positive that advocates were ensuring fair outcomes for some households, this quote also highlighted a potential weakness of the system that those without an advocate may be fairing worse.
- 4.14 Despite the clear message regarding the inconsistency of implementation, participants did highlight how the situation would be **worse in the current constrained resource context if there was no Priority Need test**. Some participants explained that, with the exception of the vulnerability test, many of the

Priority Need groups (e.g. households with children) are **well defined** and this helped to avoid a system where decision making was entirely subjective; *'If that wasn't the ~~er~~ ~~sio~~ ~~n'~~ ~~a~~ ~~d~~  ~~p~~ ~~e~~ ~~r~~ ~~c~~ ~~e~~ ~~p~~ ~~t~~ ~~i~~ ~~o~~ ~~n~~ (North Wales 's Pri* sector workshop, May 2019).

4.15 It must also be recognised that a few participants welcomed the flexibility and subjectivity of the vulnerability test because it gave the local authority **power to be fairly inclusive** and extend Priority Need to many. Also, despite the widespread agreement that Priority Need was implemented inconsistently in Wales, there were examples of **local authorities working collaboratively** to try and drive greater consistency. One example discussed frequently during the research was the North Wales regional forum and the joint reviewing officer post which was in place across the six North Wales local authorities.

4.16 There were strong views that even if no other changes are made to the Priority Need test in Wales, changes are needed to address some of the perceived weaknesses of the vulnerability test in order to improve consistency. Participants suggested this could take the form of **more specific guidance**.

*' Maybe more and have vulnerability test, because that's opened widely to interpretation. The guidelines are very - they're not very precise, are they, on the vulnerability test? When I've looked at - vulnerability test, I've had a look, well, it's largely down to your judgement. So maybe having some guidelines, because my perception of a vulnerability may be different to another person's.'* (Local authority interviewee, May 2019)

## Trauma

4.17 Many participants pointed out the traumatic impacts of the Priority Need test on homeless people and front-line staff as a key weakness. Third sector participants were particularly keen to point out that the **vulnerability test was traumatic** for individuals as they must prove their vulnerability, often by disclosing very personal experiences to *' s t r a* ~~and~~ ~~re~~ ~~co~~ ~~u~~ ~~n~~ ~~t~~ ~~i~~ ~~n~~ ~~g~~ past traumas. One participant highlighted how the test contradicts the trauma-informed approach currently being advocated in Wales.

*' Does having Priority-need traumatic experiences and people talk about the vulnerabilities that they've experienced that have a negative impact? You can go to a positive outcome in that they get, you know, Priority Need and get housing, " but has putting that personal experience been... is, you know, is that relevant to (Third sector interviewee, May 2019)*

4.18 Participants in both North and South Wales workshops also drew attention to the **trauma experienced by staff** when they were required to end a housing duty without having found a solution for non Priority Need households. Participants described how staff faced emotional challenges and the vicarious trauma of having to communicate to individuals that they were unable to help.

*' You know, nobody wants to see somebody with their heart and crying and, you know, in crisis and then having to say, well, I'm sorry, can't help you, nobody doesn't want to do that comfortably with anybody. You know, and as managers then we then have to support the staff who have had to make that decision and, you know, try to help them to understand that sometimes we are not the stakeholder workshop, May 2019)*

### **Resources and bureaucracy**

4.19 Another perceived weakness of the Priority Need test was the **focus on process, bureaucracy, and determining entitlements**, rather than the needs of the individual. One of the perceived consequences of a failure to focus on the individual was a lack of compassion and empathy.

4.20 Relatedly, many participants explained that the process of determining entitlement and challenging decisions was very **resource intensive**. In particular, **proving vulnerability was resource intensive** for the household, the local authority, and any organisation that may challenge the local authority's decision. Participants viewed this as a poor use of limited resources for all key actors within the homelessness system.

*' It also takes a long time as well. Priority Need, if you look at any aspect, seems to take longer and longer. It's deciding whether or not somebody has got that Priority Need, and if they've got a Priority Need, they're in, if they haven't, then you're doing assessments. I think an awful long time is spent, particularly when you're looking at things like vulnerability because of mental health issues. (South Wales stakeholder workshop, May 2019)*

4.21 A final issue associated with the bureaucracy of the Priority Need test and cited by some participants, was the **over medicalisation** of the vulnerability test and the unreasonable **expectations of front-line homelessness services staff** to be able to make informed judgements about a person's vulnerability. These concerns were particularly noted by local authority participants. There was a perception that proof of vulnerability required too great a volume of medical evidence, typically from a GP. This caused demands on GPs, generally resulted in a charge for the GP's letter, and often took time to secure, which could delay access to accommodation. Participants explained that front-line staff were poorly equipped to make judgements about vulnerabilities and so they sought information and advice on medical issues, particularly mental health, from sources as varied as the internet (including sources such as NowMedical), and third sector providers like Gofal. Some local authority participants pointed out that mental health specialists were increasingly recruited to work alongside homelessness teams in order to address the gap in expertise.

*' Housing teams are not experts in vulnerability you're talking about health issues, particularly mental health issues. We recognise that, as we're not the experts, you do need experts within the team, or that you can consult with, that can give impartial advice in terms of somebody's vulnerability. That's important. We've recently introduced a mental health worker through Gofal into our team for that reason. We understood that searching on Google for medication and trying to establish what medication works with what, and what it does for you, and how that can make you vulnerable and put you in a challenging position. I'm sure over the years many individuals would have been turned away based on vulnerability, because their mental*

*health potentially may not have been understood, based on the fact that we're not  
e x p e (Local authority interviewee, May 2019)*

### **Outcomes for Priority Need households**

- 4.22 Whilst views on the outcomes for Priority Need households were mixed, there was general agreement that **outcomes were at least better than those of non Priority Need** households. Most significantly, whilst some local authorities reportedly provided non Priority Need households with interim accommodation, the majority of participants believed this accommodation was generally limited to Priority Need households only. Moreover, participants suggested Priority Need households were **more likely to be offered suitable RSL accommodation**, as opposed to less secure PRS accommodation.

*'I think again it depends hugely on the difference on the local authority the individual is presenting to and what time of year, the availability of temporary accommodation, and I think some councils, I was always of the view, are very, very clear that they work with people regardless of their Priority Need status, but I think that we can't get away from Priority Need, the council has a legal duty under the Housing Act to provide that temporary accommodation. Whereas if Priority Need a h e n e t i s n ' t a duty there. So I think that in situations where there is a lack of it, it will always be the people who are in Priority Need who are prioritised, because that is essentially the entire purpose of the concept of it.*  
(Umbrella body organisation interview, May 2019)

- 4.23 Whilst outcomes were reportedly better for Priority Need households in comparison to non Priority Need households, the outcomes for Priority Need households were not unilaterally positive. Many participants, mostly local authority and RSL participants, believed that **a Priority Need decision tended to result in a positive housing outcome**. In some local authority areas relatively few households were ultimately assessed as being in Priority Need and so they tended to be accommodated in a secure RSL tenancy.

*'If they are a family it will result in a successful outcome quite quickly, and if they are Priority Need, they will obviously get housing. It may be a longish wait. I*



*mean for us, long, you know, you are looking six months and they might get a secure tenancy. They do get a suitable outcome.'* (Local authority interviewee, May 2019)

4.24 By contrast, some other participants felt that **housing outcomes were often unsustainable**. Participants explained that Priority Need households were sometimes accommodated in unsuitable locations – far from supportive networks or in close proximity to undesirable networks. Moreover, many participants stressed the importance of tenancy support which was often lacking and frequently led to further housing issues and tenancy failure. This was seen as a particular concern for households accommodated in the PRS. Participants explained that the provision of housing alone was often insufficient to meet the household's needs and to address the underlying causes of homelessness.

4.25 A very frequently identified deficiency was the **reliance on unsuitable interim and temporary accommodation**. There seemed to be recognition by participants from across the sector that the reliance on hostels, shelters and B&Bs to meet initial accommodation needs was undesirable but there was reportedly no current alternative due to housing supply issues.

*'We are constantly involved in emergency accommodation. Whether it be night shelter type provision, through to shared accommodation provision, and trying to reduce the B&B usage. However some of those initial outcomes people have a real deal and we know that. But where we have no resources, we haven't got another option. So I don't think Priority Need always enables somebody to access the best outcome for them. Just because somebody is assessed as priority doesn't mean they are automatically going to get the perfect piece of accommodation in the short term.'* (Local authority interviewee, May 2019)

4.26 Additionally, according to participants, Priority Need households were having to **remain in temporary accommodation for long periods of time**. Participants provided examples of this in relation to many different Priority Need groups. For example, one participant described the experience of women accommodated in refuges; *'families are getting stuck, as they say, in refuges. Some for longer than they've ever known'* (Third Sector interviewee, May 2019).

4.27 Finally, it must be noted that one participant expressed how the current **evidence base** on outcomes for homeless households limited the ability to draw firm conclusions about the suitability and sustainability of outcomes;

*' My question was, " Well I have we got any data pretty much, no. So how do we define it working? So they discharge of their duty within . . . I don't. So how long do they have to be in the of it property or in the tenure for it to be a success? So they may be housed, the local authority may have discharged its duty and housed them from the Priority Need list or category, but within six months they may have not had the chance to fall through. So have we captured that data? How many of these cases end in sustainable tenancies for a longer period? I don't think I do. I think it might be that a large percentage of them do, in which case that would suggest that priority is working, despite problems, but I think in order to answer that question I think data sets are missing.'* (Umbrella body organisation interview, May 2019)

### **Local connection**

4.28 Participants talked extensively about the local connection test and wider issues associated with the exclusion of households with no local connection. Whilst some participants supported the **retention of a local connection test** in order to protect areas that receive many applications from people with no local connection, the **majority of participants were critical of current practice** and some advocated removing the test from legislation.

4.29 The greatest concern amongst participants was that **local authorities were gatekeeping** by sending households away before any meaningful assistance was provided in instances where they have no local connection. In essence, a local connection test was being applied from the outset. The law requires that a local authority takes reasonable steps to prevent homelessness irrespective of a household's local connection and local connection can only be considered at the relief stage (Section 73) if the household is in Priority Need. Participants claimed that some local authorities were not complying with the law;

*' I don't like the local connection test. Certainly we've had people that come to us and again this is obviously just on the clients say that people have actually*

*approached another local authority, been told that with that area, even though we would probably argue they have, and have been turned away. (Local authority interviewee, May 2019).*

- 4.30 Some participants also described how households without a connection were **excluded through other means**. In particular, many local authorities were reported to incorporate local connection criteria within their housing allocation policies, prevention funds and bond schemes. Such practices are currently legal<sup>2</sup> but seem incongruent with the principles of the homelessness legislation. They have the impact of reducing housing options to those with no local connection. Moreover, according to a few participants these policies appeared to be communicated to homeless people with no local connection, at least in part to deter an application.

*'I made it clear to him that he can apply wherever he likes but ultimately so many things with regard to homeless prevention rely on a local connection. For instance, our housing register has a local connection criterion attached to it. Not every ~~vs does~~, but ours does. Our bond scheme has a local connection criterion attached to it. Again, not everywhere's will, but ours does.'* (Local authority interviewee, May 2019).

- 4.31 Some third sector and umbrella body organisation participants concluded that the local connection test, and wider local connection policies contained within allocation schemes and bond schemes, should be designed to allow for and **support greater movement between local authorities**. They recognised the array of reasons why people may want to move to an authority where they have no local connection and they felt this should be enabled. They understood why local authorities would seek to restrict housing and support to those with a connection to the area but it was suggested that alternative solutions should be found to address the resource concerns of these receiving authorities.

*'And, you know, if we really, you know, want to give people fresh starts and the choice to make a fresh start and to re-establish themselves in a new community*

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<sup>2</sup> Statutory guidance states that priority may be given to people with a local connection, so long as reasonable steps are still taken with all households.

*and then, you know, I think that local connection can be a barrier to that.'*

(Umbrella body organisation interview, May 2019)

- 4.32 On the specific issue of **reconnections**, whereby households were being sent away from the local authority where they presented, one participant recommended the establishment of 'a local council for reconnections only with the consent of the applicant. Reconnections should require cooperation of both local authorities to ensure a seamless transition' (Third sector interview, June 2019).
- 4.33 One final concern regarding local connection, was the **temporary placement of people**. 'One example was given in one local authority where households were placed in accommodation in their borough by another local authority but the sending authority failed to notify them. Moreover, after spending significant time in temporary accommodation these households were then eligible for housing and support in the receiving local authority. It was suggested that out of area placements might be considered in any potential future revision to the homelessness legislation.'

### **Intentionality**

- 4.34 Relatively few comments were made about the intentionality test, which perhaps reflects the observation by some participants that the test was **hardly used**; 'I basically haven't done that many intentional cases, I think I've only done two in the two years' (Local authority interview, May 2019). In fact, at the time of writing this report, provisions contained in the HWA 2014 relating to intentional homelessness and households with children had just been commenced, further reducing the likely use of the test. One participant also proposed removing the intentionality test because it contradicts a trauma informed approach.
- 4.35 Yet, two participants did describe the test as a useful tool, even if it was only **used as a threat** and not applied as intended. For example, one participant reported how a household was told they must engage at the relief stage (Section 73) of the legislation as they would be found intentionally homeless at Section 75.

## Chapter summary

- 4.36 This chapter explored perspectives on Priority Need in Wales today and identified five themes relating to the strengths and weaknesses of the test: exclusion and prioritisation; inconsistency; trauma; resources and bureaucracy; and outcomes for Priority Need households. Additionally, the chapter provided views on the two related tests of local connection and intentionality.
- 4.37 According to the majority of participants the key weakness of the Priority Need test is that it **turns some homeless people away**, with no final solution – a situation which was described as an injustice and immoral. Moreover, the test was reportedly sometimes used informally to **gatekeep** non Priority Need households from accessing assistance. However, within current resource limitations some form of rationing and prioritisation was thought to be required and the Priority Need test was perceived by the majority to **target and provide a safety net for many vulnerable groups** (e.g. 16-17 year olds, families with dependent children, people facing domestic abuse). Yet, perceived weaknesses of the current Priority Need test meant that most participants wanted to see some form of change, for example an extension of Priority Need groups.
- 4.38 Participants argued that another key weakness was the **use of a relatively high threshold for vulnerability**, despite the limited evidence requirements set by the reason to believe test. This reportedly resulted in **vulnerable people such as rough sleepers being excluded** from access to interim accommodation and support. In contrast, some local authorities perceived that **the reason to believe threshold was set too low** and resulted in over-stretched temporary accommodation provision. Participants were also critical of the vulnerability test because it **encouraged people to become more vulnerable** in order to ‘earn’ priority status. Importantly, the research did note comments about some local authorities **o p e r a t i n g l a r g e l y ‘ P r i o r i t y N e e d b l i n**
- 4.39 Participants were almost unanimous in their conclusion that the Priority Need test is **implemented inconsistently**, particularly in the **application of the vulnerability test**, whereby front-line workers appear to be pivotal in determining who gets assisted and how. Notably, some participants highlighted the **importance of**

**advocates** in determining decisions and outcomes for households. Despite the clear message regarding the inconsistency of implementation, some participants did highlight how the situation would be worse in the current constrained resource context if there was no Priority Need test. Some participants explained that, with the exception of the vulnerability test, many of the Priority Need groups (e.g. households with children) are well defined and this helped to avoid a system where decision making was entirely subjective. Finally, it was recognised that there were examples of **local authorities working collaboratively** to try and drive greater consistency, for example through the North Wales regional forum.

- 4.40 Many participants pointed out the **traumatic impacts of the Priority Need test** on homeless people and front-line staff as a key weakness. The vulnerability test was reportedly **traumatic for individuals** as they must prove their vulnerability and it was claimed **to cause vicarious trauma** for staff when they were required to end a housing duty without having found a solution.
- 4.41 Another perceived weakness of the Priority Need test was the **focus on process and determining entitlements**, rather than the needs of the individual. The process of determining entitlement and challenging decisions was perceived to be very **resource intensive**, particularly in relation to proving vulnerability. This process is also reportedly **over medicalised**, placing unreasonable expectations on the skills and abilities of front-line homelessness services staff.
- 4.42 Whilst views on the outcomes for Priority Need households were mixed, there was general agreement that outcomes were **better than those of non Priority Need** households, with outcomes often ending positively in a **secure RSL tenancy**. However, some participants felt that **housing outcomes could be unsustainable** due to the location of housing away from positive support networks and the frequent absence of tenancy support – especially if the household was accommodated in the PRS. A very frequently identified deficiency was the reliance on **unsuitable interim and temporary accommodation**, reportedly often used for **long periods of time**. It was also noted that the current **evidence base** on outcomes for homeless households limits the ability to draw firm conclusions.

- 4.43 Whilst some participants supported the **retention of a local connection test**, the **majority of participants were critical of current practice** and some advocated removing the test from legislation. Concerns about local connection policies related to **gatekeeping** whereby households were sent away before any meaningful assistance was provided, and gatekeeping **through other means**, such as housing allocation policies, prevention funds and bond schemes. In response, some participants argued for policies that allow for and **support greater movement between local authorities**. A few participants also commented on specific challenges relating to **reconnection policies** and the **temporary placement of people out of area**.
- 4.44 Relatively few comments were made about the **intentionality test**, which perhaps reflects the observation by some participants that the test was **hardly used** and its use was likely to decrease following the recent commencement of provisions in the HWA 2014 relating to intentionality and households with children. However, two participants did describe the test as a useful tool that was **used as a threat** to encourage engagement with services. One participant proposed **removing the intentionality test** because it contradicts a trauma informed approach.
- 4.45 This first findings chapter has provided an overview of perspectives on the Priority Need test in Wales today. At the turn of the century Scottish Government similarly debated the potential future role of the Priority Need test and subsequently went on to abolish the test by 2012. The aim of the next chapter is therefore to examine lessons from the Scottish journey in order to inform deliberations in Wales.

## 5. The abolition of Priority Need in Scotland

### Introduction

- 5.1 This chapter reviews the motivations, process, and impacts of phasing out the Priority Need test in Scotland, as well as assessing the merits and weaknesses of Scotland's current homelessness law. It draws on three main sources: existing evidence (collated via a desk-based evidence review); quantitative analysis of relevant statutory data (on homelessness presentations and acceptances, temporary accommodation use, and social housing lets); a series of interviews and a 'Policy Reunion' involving in total 11 key sector stakeholders who were engaged in the phasing out of the Priority Need test.

### Motivations and rationale

- 5.2 Participants identified **two key drivers** of the decision to phase out the Priority Need test. The first concerned the general motivation to '**do something different**' (Third sector interviewee, April 2019) on homelessness following the devolution of relevant powers in 1999, in the first instance by setting up the Homelessness Task Force. This was described as part of a wider set of ambitions on the part of the new Scottish Executive and Parliament to deploy its powers to pursue progressive policy change; '**to try and mark out a very different path on social justice**' (Third sector interviewee, April 2019) to use the language of several key informants. The newness of Scottish political institutions and 'genuine optimism' (Local authority interviewee, April 2019) of the moment was described as creating a window of opportunity that Ministers were keen to take advantage of. Homelessness was seen as an 'obvious' area to focus initial efforts:

*'a big symbol of what was wrong with the 1980s was single homelessness and the rise of rough sleeping ... that was a real Scotland felt about being governed [by Westminster] too. So you get a new institution like the Scottish Parliament, for that first couple of years where there's a sense of a window being opened and all things are possible, and homelessness was the obvious one. (Third sector interviewee, May 2019)*



5.3 This general motivation to mark out a different path on homelessness was complemented by a more specific second motivation to reform the Priority Need test, which was widely (though not universally, see below) seen as **an ‘historic wrong’** (Third sector interviewee, April 2019) with no proper role to play in modern responses to homelessness. One participant expressed this view in the strongest possible terms, describing the distinction as ‘odd and freakishly antiquated’ (Third sector interviewee, April 2019), but softer articulations of the same point were common:

*‘That legislation had been brought in as a safety net for families and vulnerable people, but in this day and age, should there not be a safety net for everyone who’s homeless? ... the logic was ... time’s moved on in England, or Wales ... have managed at issue get away for so long, because in the modern world, it seems such an obvious injustice.’*  
(Local authority interviewee, May 2019)

5.4 More specifically, participants frequently went so far as to argue that the Priority Need test lacked any robust logic or defensible justification; that it was ‘quite arbitrary and quite subjective’ (Social housing interviewee, May 2019); and a feature of the law that created barriers or hurdles to people – in particular single people – receiving the help they needed:

*‘the motivation ... was to make sure that everyone who was homeless in Scotland had a claim, had a need recognised. I think there was a view that Priority Need... [was] a barrier to people access needed. Looking at it’s quite incredible that we were actually asking people to establish a Priority Need to get help if they were homeless.’*  
(Local authority interviewee, May 2019)

5.5 While there was a strong focus on removing the Priority Need test to better assist single people practically, it was also seen to be **‘the right thing to do’** in principle. Participants explained that ‘There was a kind of principled, moral imperative behind it’ (Local authority interviewee, April 2019), ‘a moral and ethical angle to it’ (Local authority interviewee, April 2019) and that the move was based on ‘the inherent fairness argument’ (Local authority interviewee, May 2019).

5.6 In addition to these core dual motivators, a series of additional factors were also mentioned, including: acknowledgement of the **cost (human and financial) of not helping** those excluded as non Priority Need and the escalation of need that could follow a non Priority decision; recognition that the Priority Need test incentivised people trying to **present their situation in the worst possible light** in an attempt to receive help; and a feeling that while legal reforms would not on their own 'solve homelessness', they were one of the strongest levers at the disposal of Scottish Government. What might be thought of as a 'cultural' motivation was also mentioned, and reflected a desire to move from a 'legalistic' or 'mechanistic' approach based on assessing who is entitled to help, **to a problem solving can we help?' approach**

*'What we'd done was created a ~~obstacle to process~~... The ~~m~~ people according to a series of tests, rather than saying, 'Are you homeless? How can we help?' ... That led to a culture... legalistic, it was adversarial because there's a lot of challenge back and forth. It wasn't good for, first of all, the service user mainly, and it wasn't good for the staff ... not many people are thinking I want of legalistic decision-making, and most people's motivation for working in public service is more service-orientated.'* (Third sector interviewee, May 2019)

### Consensus and concerns

5.7 Participants reported a **high degree of consensus about phase out**, in particular **at national level**, among Government Ministers and within the Homelessness Task Force, but also across senior political figures, which prevented it becoming 'a political football' (Local authority interviewee, May 2019):

*'It was really widely accepted ... ~~in~~ ~~the~~ ~~2~~ nobody spoke ~~a~~ ~~sense~~, it wasn't ~~completely~~ across the whole of parliament, but it was ... People weren't ~~t~~ ~~a~~ consensus. (Local authority interviewee, May 2019)*

5.8 At the **local level**, however, there was **much less consensus**. As one participant described it, abolishing the Priority Need test was primarily a reflection of a 'sympathetic mindset amongst some ministers' rather than reflective of 'a...

grassroots... momentum to make the changes' (Local authority interviewee, May 2019). Two distinct kinds of concern underpinned resistance to the plans locally. First, were practicalities about whether local authorities had – or would be provided with – the **resources and capacity to implement** the abolition of the Priority Need test, what one participant described as 'the floodgates argument' (Local authority interviewee, May 2019):

*'there was a split ... between people that we because the issue was the ability of local people ... were kind of ~~able of the task ahead~~ we with the actually needed to do in order to achieve able to do this. It's so hard sitting in a room with a person saying, 'Sorry, we can't help you' and having to turn ~~in~~ ~~we do this~~ way [ b and what's the impact going to be and what's the scale of the challenge; can we afford it?'* (Local authority interviewee, May 2019)

*'There was very much a view... This - is all a gooders and academics. Have you ever tried working in the local authority when you've got this obligation ... to do these n get a quart into a pint pot? It always ca disagree, but we don't have the supply and the resources, and that was very much an issue at the time .... (Local authority 't univ interviewee, May 2019)*

5.9 Key concerns here related to **demand for temporary accommodation** and settled **social housing stock**, implications for **local authority budgets** to fund required services and accommodation, and impacts on staffing needs, and these concerns were acknowledged to be especially acute in high pressure areas like Edinburgh. In Glasgow, stock transfer of the city's council housing in 2003 (Gibb, 2015), a high volume of homeless applications (Fitzpatrick et al, 2012), and the presence of several large-scale hostels (Fitzpatrick et al, 2010) also created unique challenges.

5.10 Therefore, according to participants, Scottish Government and partners 'had a lot of work to do to try and convince colleagues that it was doable' (Third sector interviewee, April 2019). This was especially so as the removal of the Priority Need

test was intended to go alongside a softening of the 'intentionality' test and suspension of 'local connection' referral rules. Though included in the 2003 Act, these changes were not brought into force during the 2000s (Fitzpatrick et al, 2012). However, following recommendations of the 2018/19 Homelessness and Rough Sleeping Action Group (HARSAG), Scottish Government announced they intend to commence these provisions in late 2019<sup>3</sup>.

- 5.11 Second, and more fundamentally, while some participants thought concerns focused almost entirely on 'how to get from... 2003 to 2012... [without] a huge amount of dispute about what the endpoint should be' (Third sector interviewee, April 2019), some described attitudes at the local level (among officers and elected members) that were fundamentally opposed to the phasing out of the test, questioning the **fairness of prioritising single homeless people** over others in housing need, and pointing to the housing management challenges that might result from greater obligations to accommodate this group:

*'There was still a feeling, I think, amongst a lot of councils and some Housing Associations that housing homeless people was a having hellish discussions with council to persuade them that really the moral of this was that people were entitled to housing, and the fact that they might produce housing management challenges wasn't a reason for not doing it ... people of the extra demand it would create and the floodgates argument; there was something a bit judgemental about it as well, that why should we house these people who are characterised as drug addicts and alcoholics when decent people who have lived in a council house all their life want to move out from their parents and they can't get a council house. (Local authority interviewee, May 2019)*

- 5.12 Relevant here were reported contrasting **public attitudes** on homelessness linked to feelings about who should be able to access social housing (in the context of decreasing availability), and the impact of these attitudes on local politics:

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<sup>3</sup> See [A consultation on local connection and intentionality provisions in homelessness legislation \(Scottish Government, 2019\)](#)

*'Territorialism... it is real for people, and whether we like it, or believe it, or not out the Priority Need test] was something [social housing] a fixed resource. It is a zero-sum gain. If somebody gets a house, somebody else loses' (Social housing interviewee, May 2019)*

- 5.13 A related but distinct set of concerns oriented around the idea that phasing out the Priority Need test would intensify the so called '**perverse incentives**' associated with legal-rights based responses to homelessness (see Fitzpatrick and Pleace, 2012; Watts, 2013):

*'There's an age-old argument that we create almost an incentive for people to classify themselves as homeless or ... go down the applies irrespective of where the Priority Need line is drawn, people will always argue that or dispute that, it just is the nature of the system. So that's not intrinsically to do with the Priority Need test ... it is a tension, a number of allocations that go to people who have been deemed homeless, the more of a tension it is. (Third sector interviewee, May 2019)*

## **Process**

- 5.14 This section considers the process followed in phasing out the Priority Need test in Scotland, drawing on participant perspectives and other evidence where available to examine 'what worked' and what did not, and the key enablers of and barriers to the successful abolition of the test.
- 5.15 The Homelessness Task Force recommendation to phase out the test was made in 2002, and pursued via the Homelessness Etc. (Scotland) Act, 2003. The Act made some extensions to the Priority Need categories, which came into force in January 2004<sup>4</sup> and committed to a target date for the full abolition of Priority Need by the end of 2012. In 2005, the Scottish Executive announced an **interim target** to reduce the proportion of non Priority assessments by 50% by 2009. Figure 1 shows this

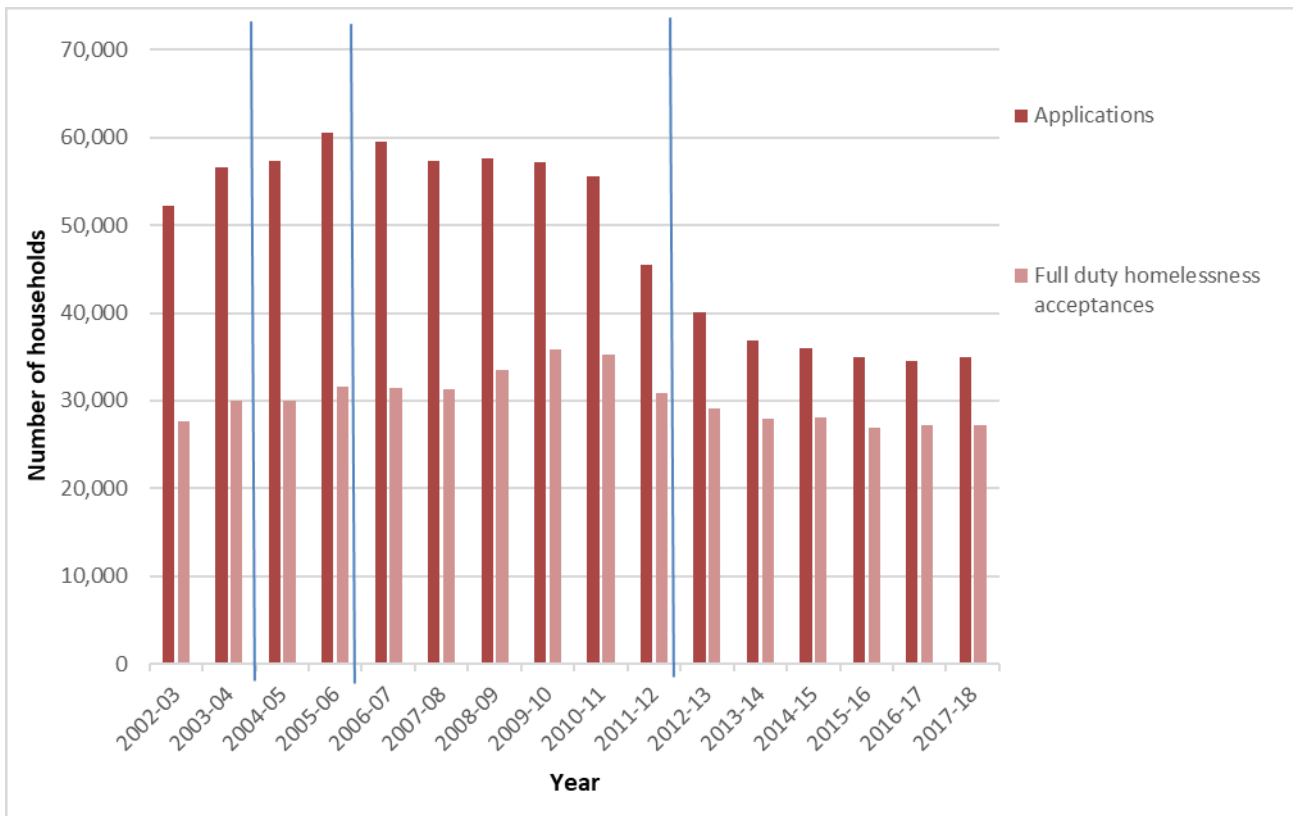
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<sup>4</sup> Section 1 of the Homelessness Etc. (Scotland) Act 2003 expanded Priority Need categories to include those already listed in the 1997 Code of Guidance, these being: all those who were under 18 or who had been subject to harassment or domestic abuse, people under 21 who were vulnerable to financial or sexual exploitation or involvement in substance misuse due to their living circumstances and anyone who was vulnerable as a result of personality disorder, leaving hospital, prison or the armed forces, having suffered a miscarriage or undergone an abortion or chronic illness.

decade long process unfolding, charting trends in applications and acceptances from 2002/03. In this and the following Figures, the vertical lines indicate (from left to right) (a) when relevant sections of the Homelessness (Scotland) Act 2003 came into force, extending existing categories of PN and marking the 2012 goal (January 2004), (b) the ministerial announcement of the 2009 50% reduction target (December 2005), and (c) the deadline for completion of the phase out of Priority Need (December 2012).

5.16 The broad trends revealed are that homelessness applications logged by Scottish local authorities peaked in 2005-06 and subsequently declined from some 61,000 to 35,000 – a reduction of 42% in 12 years (see Figure 1). Full duty homelessness acceptances, meanwhile, reached their highest level in 2009-10, subsequently declining by 14%, from some 36,000 to 27,000 by 2017-18. These perhaps unexpected declines during the phase out of the Priority Need test reflect the roll-out of the Housing Options preventative approach from around 2010 (see below).

**Figure 1: Homelessness applications and full duty acceptances in Scotland, 2002-2018**



Source: Scottish Government HL1 Homelessness Statistics

- 5.17 Two aspects of the way in which Scottish Executive pursued the phasing out of the test attracted significant comment from participants. First, the length of time over which the Priority Need test was phased out. There was some initial debate within the Homelessness Task Force about whether the test should be phased out over such a long period, or more quickly, with those in the **voluntary sector initially favouring a faster approach**:

*'those of us from the voluntary sector were quite gung-ho and were quite worried I think if it was too long a process and too involved a process it just might never happen ... it was the kind of impatience I suppose from the voluntary side, saying that we really need to get this completely nailed down otherwise it may never happen. (Third sector interviewee, May 2019)*

- 5.18 The primary driver for taking the extended approach was to ensure **that local authorities were able to manage** resulting increases in demand, build up temporary accommodation capacity, and secure local authorities support for (or minimise their opposition to) the reform:

*'One of the reasons that the Priority Need test was incrementally abolished was to reassure people ... some people just thought the taskforce, I think, after quite a bit of discussion, did agree that a phased approach to the whole thing would be the only way we could get it through. '*  
(Local authority interviewee, May 2019)

- 5.19 With hindsight, the dominant view of participants was that the phasing out of the test **could have happened over a shorter period** (including to minimise the risk of a change of administration derailing the planned changes), but that the long run-in was necessary at the outset for practical, but perhaps even more so, political and strategic reasons:

*'I think ten years was too long ... I think a shorter period would have been good. Some of this is about the negotiation process, so if you're particularly a new parliament, which is still finding its way, and very, very keen to create a productive partner (Third sector relations interviewee, May 2019)*

5.20 Some participants thought that **robust homelessness prevention policies** and practices (see below) would have enabled a faster phase out, with some making the direct comparison with the very different context in which Wales is considering reforms to the test:

*'the phasing that happened ... it meant that local authorities were more comfortable ... but I wouldn't uncouple it from the latter stages around prevention.. If you're looking at what's happening in Wales given the prevention changes there, then it could be that you could have a shorter timescale. (Statutory sector interviewee, May 2019)*

5.21 Participants had **mixed views about the efficacy of the 2009 target**. On the one hand, local authority participants were clear that 'it gave us something very specific that we had to aim for' and 'drove behaviours on our part' (Local authority interviewee, May 2019). A voluntary sector participant (May 2019) argued that it put ministers 'under some pressure' to ensure 'something did actually happen'. On the other hand, it was described by one statutory sector participant as a 'loose target' that 'people didn't really understand' (largely because it was unclear what baseline the 50% target reduction related to) and that it wasn't backed by any repercussions ('there was no... stick') if it wasn't met. Nevertheless, even this participant **ultimately felt that an interim target was needed** to catalyse progress at the start and begin to build momentum, which they argued it did despite being missed in several local authorities. Some participants commented that substantive **guidance on how to achieve the target was lacking**, and would have been helpful:

*'they told us the ministerial statement would come out in 2005 and they were going to tell us how to do it so we were kind of waiting on this and then they have a blueprint and it would be much clearer with tenterhooks and it came out and it didn't really say anything apart from, 'You have to figure out how you're going to do it and 50% by 2009...' We were expecting them to tell us how to do it (Local authority interviewee, May 2019)'*

5.22 The limited guidance on how to phase out the test locally was the consequence of an active decision on the part of the Scottish Executive to give **local authorities discretion** in this matter. This discretionary approach was the second aspect of the



Executive's approach that received a substantial amount of comment among participants. Participants pointed to a number of rationales for this decision, including a concern to be sensitive to local needs, **not to be 'dictatorial'** (Statutory sector interviewee, May 2019) to local government, to **maximise local buy in**, and to **enable 'progressive' move as quickly as they could rather than 'tie their hands'**:

*'What I think did work ... was that sense of local representatives ... So, they were very able to explain to people there was some rationale locally; they were able to plan locally; and there was element of control over it. I think that was actually a master stroke in the whole thing, and I think that that happened.'* (Social housing interviewee, May 2019)

*'local authorities have always had the primary role in tackling homelessness this was going to be successful ... it had to be really hard to establish a sense of ownership if you simply say, 'We're going to tell you what to do and you better do it.'* (Third sector interviewee, May 2019)

- 5.23 Three participants raised the issue that this discretion **led to (transitional) inequities** across local authorities because a particular household might still be considered non Priority in one local authority, while elsewhere they would be considered in Priority Need, but concern about this drawback of the discretionary approach was **far outweighed by comments about its benefits**.
- 5.24 Local authorities took different approaches to the phase out of the Priority Need test. A Parliamentary Briefing published during the period described local authorities extending Priority Need to **particular age groups, non-resident parents, and vulnerable applicants** that would previously not have passed the vulnerability test (Scottish Parliament, 2011). Of the three participants spoken to who were directly involved in these local decisions at the time, two described extending Priority Need decisions based on age. In one of these, this approach was complemented by gradually 'loosening' interpretation of the test for all age groups, and monitoring whether particular officers were 'below target' for reductions in Priority Need decisions. Another local authority described an incremental approach, which left the

so called 'big ticket' groups (i.e. single men) until the end to allow time to expand capacity:

*'we squeezed the age spectrum from both ends, the youngest and the oldest, so eventually you got to a banding which was 50 to 59-year olds and that was the last conversion that you the logical way to a ke ... t h a actually do it. Whether you could do it in today's Equality Act 2010, I'm not sure. '*

(Local authority interviewee, May 2019)

*'we took the low hanging fruit, early doors, and left the big ticket items, for instance, single male, walking, talking to the end, because that was where the big hit was going to be ... it was the right t h i e x p a n d o u r ... (Local authority interviewee, May 2019)*

- 5.25 Participants also commented on the introduction in 2002 of a **duty to provide temporary accommodation** to all homeless applicants (regardless of Priority Need status) as an important part of the process of phasing out the test altogether. This move was seen to be especially important by three participants. One described it as 'another tool, or... trick in that incremental approach... that was quite successful' (Local authority interviewee, May 2019), with two going further and seeing it as **essential in paving the way** for meeting the 2012 target:

*'it was actually really important because it heralded a change in the mindset in local authorities. Whereas before, the majority of single people wouldn't be assisted in any way ... I t m e a n t t h a t p e o p l e a l o t a t t h a t p o i n t ...ou like, for how you would actually u n d w o move it through to just abolishing Priority Need totally. (Statutory sector interviewee, May 2019)*

### **Enablers and barriers**

- 5.26 Participants were asked to identify key enablers and barriers to the phasing out of the Priority Need test in Scotland. **Three key enablers were identified:** leadership, resources, and the introduction of a Housing Options preventative approach.
- 5.27 With regards to leadership, **national political leadership** of Scottish Executive Ministers was seen to be essential. Participants explained that there were several

'leading lights' (Local authority interviewee, May 2019) who were 'very committed' (Statutory sector interviewee, May 2019) to this agenda. The appointment of and leadership from the Homelessness Task Force was also seen to be a key enabler by some participants:

*'I think the government did a very good job assembling the taskforce, because they brought together some people who could see beyond the current state of affairs, and I think the group had a very clear vision of where it wanted to get to.'*  
(Local authority interviewee, May 2019)

5.28 The role this national group played in persuading local councillors and officers of the value of the changes, as a means of better helping those experiencing homelessness, but also a 'hook' to make the case for more resources was emphasised:

*'a lot of hard work went into trying to use case studies to try to persuade people ... S... winning over people's hearts and minds, and I would say we just about did that.'*  
(Local authority interviewee, May 2019)

5.29 National political leadership was also highlighted as important to implementation, with Ministers' decision to put the 2012 target on the face of the Act and their close involvement in the process seen to be key, so too the intensive involvement of senior civil servants charged with overseeing implementation:

*'national political leadership was really, coming when I was in [local authority area] and having quite tough discussions with local councillors ... the obvious thing the heart wasn't there first, at least it hearts did follow.'* (Local authority interviewee, May 2019)

5.30 It is important to note then, that the localised and discretionary approach to how the phase out was made was **complemented by top-down monitoring and engagement** to ensure that progress was made. One statutory sector participant reported civil servants being in meetings with 'laggard' authorities on a monthly basis to ensure the target was met.

5.31 The second key enabler identified was **resources**. The phase out period was characterised as one of investment in homelessness services and a sense of security in the growth of resources for local government generally, something that was seen to have interacted with the Priority Need phase out in a positive way:

*'at that point, you had a government that had substantially more resources than we seem to have at this point ... there was new approaches. That really, really helped level, talking to elected members about the news story for the m... It wasn't just about taking a new approaches, and ..(Local authority interviewee/ May 2019)*

5.32 The **removal of the ring-fencing of the Supporting People** funding stream in 2007 was seen as a negative by local authority housing departments (although not by general local authority representative bodies) within this overall positive resourcing picture.

5.33 The third key enabler identified was the move (following developments in England from the early 2000s) towards a '**Housing Options** approach' to homelessness prevention in Scotland. Housing Options is an information and advice process that councils use when someone approaches them with a housing problem. It aims to prevent homelessness wherever possible, helping them to explore all options including council housing, Housing Association homes and private rented accommodation. It can also provide support for underlying issues that can underpin housing problems such as debt, family breakup and mental health problems.

5.34 A strong government policy steer to take up the Housing Options approach was given via the Scottish Government/Convention of Scottish Local Authorities (COSLA) Joint Steering Group in mid-2010, towards the end of the phase out period. This was supported by £500,000 of 'enabling funding' and the establishment of five regional 'Housing Options Hubs' aiming to promote knowledge sharing and learning across local authorities (Ipsos MORI & Mandy Littlewood Social Research and Consulting, 2012). There was a clear consensus among participants that this was **a game-changer** in enabling local authorities to achieve the 2012 target. Indeed, according to participants, the shift to homelessness prevention was

introduced explicitly to enable local authorities to achieve the 2012 target and relieve some of the pressure on services and (temporary and settled) accommodation:

*'the numbers were going [up], if we just let it carry on that way, then the system would just implode. It just couldn't cope really upped the prevention agenda at that the prevention agenda really had an impact comfortable moving to what was going to be happening in December 2012.'*

(Statutory sector interviewee, May 2019)

- 5.35 While there was universal consensus that the shift towards a preventative approach was essential in meeting the 2012 target, echoing well-rehearsed debates elsewhere (Pawson et al, 2007; Fitzpatrick et al, 2012, 2015 and 2019; Ipsos MORI & Mandy Littlewood Social Research and Consulting, 2012; Scottish Housing Regulator, 2014) different interpretations were in evidence about the extent to which Housing Options amounted to 'genuine prevention' versus sometimes constituting '**gatekeeping**' on the part of local authorities:

*'The focus on prevention ... that was the real abolition of Priority Need] ... A big part of people about lack of nuance, initially, and I do think, when you sat down with people with housing options piece, and said, 'Well, why do you want to move? What is it that's driving you moving?' It homelessness route is the right thing, but [not for] other people. (Local authority interviewee, May 2019)*

*'We came towards 2012, [there was] a big push on Housing Options for a good reason, I think, in the sense that the solutions to homelessness aren't as straightforward as saying, 'You're homeless, here's a council house.' But the negative reason might be that it was a bit of filtering in advance. Very hard to make a distinction between what's legitimate, looking at what people's possibilities are and ... basically gatekeep was no coincidence that it came into focus in the latter period of 2012; partly because I think it was one aspect of what had been happening in England. There*

*were genuinely useful things happening, but also it was convenient to some extent* (Third sector interviewee, May 2019)

- 5.36 While administrative data on local authority homelessness prevention activities were not collected until 2014, there are indications of the impact of this shift in Figures 1 and 2 which show that the most dramatic falls in Priority Need decisions were seen after 2010. Existing literature in fact suggests that locally-driven shifts towards the Housing Options model had begun earlier than the Scottish Government 2010 push (Pawson et al, 2007; Scottish Parliament, 2012), in part explaining why applications under homelessness legislation began to fall in 2006/07. Administrative data also indicates that the proportion of applicants deemed to be threatened with homelessness (rather than actually or imminently) fell significantly from 2007/08, something also seen in England as the Housing Options approach was phased in, and reflecting that local authorities shifted to assisting those ‘at risk’ informally, rather than via a full homelessness application (something later criticised by the Scottish Housing Regulator) (Fitzpatrick et al, 2012, 2015, 2016; Scottish Housing Regulator, 2014).
- 5.37 **O t h e r ‘ e o f t h e p h a s e o u t ’** were noted by participants, though received less attention. These included: the experience of the **Rough Sleepers Initiative** in Scotland (Fitzpatrick et al, 2005), which helped ‘pave the way’ (Third sector interviewee, April 2019) for the phase out of Priority Need by making the case that financial investment could achieve gains in reducing homelessness and by beginning to challenge the view that ‘people have brought this [rough sleeping] on themselves’ (Local authority interviewee, May 2019); momentum and ‘**a spirit of competition**’ between local authorities (Statutory sector interviewee, May 2019); the expansion of **temporary accommodation** provision, including increased use of the Private Rented Sector via Private Sector Leasing schemes (see Watts et al, 2018); and finally, an **evidence and data-informed approach**, including the use of modelling and research to estimate the impacts in each local authority.
- 5.38 Participants had less to say about barriers to phasing out Priority Need, reflecting that the 2012 target was met and, as one participant put it, that the degree of high-level buy in and consensus to make the change ensured that ‘barriers tended to be

removed' (Local authority interviewee, May 2019). One particular set of constraints and barriers concerning affordable housing supply and access did receive comment, however. Local authority and social housing sector participants lamented that despite calls to increase **new affordable housing supply** to help local authorities meet the 2012 target, this **did not happen** during the phase out period:

*'we were quite clear that if the government was making those changes to the Priority Need [ t e s t ] ... t h e n t h e c o m m i t m e n t t o b u i l d m o r e o b e a h o u s e s [ b u t ] ... t h e r e w a s a b s o l u t e l y n o c o r l e g i s l a t i o n a n d t h e d i r e c t i o n o f t r a v e l t w a s a n , u n d e n i a b l y , m a j o r f l a w i n t h e w h o l e t h i n g . (Local authority interviewee, May 2019)*

- 5.39 Participants also recognised the challenging context of housing supply during this period in relation to continued high levels of Right to Buy sales, and the strains on private house building linked to the financial crash of 2007/08. Participants gave several reasons why the 2012 target was met despite these challenges, including that the impacts of the phasing out were not as large as some had feared (perhaps linked to the introduction of the Housing Options approach), and that new supply was only ever going to play a small role in enabling the phase out:

*'investment in new, affordable homes, perhaps, looking at it, has not been absolutely critical to the delivery of the Priority Need t a r g e t ... n e w b u i l d s l i g h t l y g i v e y o u s o m e n e w o p p o r t u n i t i e s , b u t t h e n u m b e r s t h i n k , a l t h o u g h C O S L A , r i g h t l y , t r i e d t o g e t a l o n g - t e r m f u n d i n g a g r e e m e n t [ f o r a f f o r d a b l e n e w h o u s i n g s u p p l y ] , f a i l e d , t h e r e a l i t y i s t h a t I d o n ' t t h i n k i t w o u l d h a v e h a d t h a t m u c h i m p a c t o n t h e d e l i v e r a b i l i t y o f t h o s e c h a n g e s . (Local authority interviewee, May 2019)*

- 5.40 The second main barrier cited related to access to housing for homeless households rather than housing supply per se, and specifically the **role of Housing Associations in accommodating homeless households**. Section 5 of the Housing (Scotland) Act 2001 introduced a duty on Housing Associations to assist local authorities in accommodating homeless households, primarily to ensure that homelessness duties could be discharged in stock transfer authorities. Some

participants were positive about the role of so called 'Section 5 referrals' to Housing Associations in relation to the phase out of Priority Need, describing them as a 'helpful... legal mechanism' (social housing interviewee) to ensure that homeless households can access accommodation. There was a fairly strong consensus, however, that the contribution of Housing Associations in this regard, both during the phase out of the Priority Need test and subsequently, has been patchy. While some Housing Associations were described as 'fully committed' (Local authority interviewee, May 2019), others were seen to have lukewarm or actively resistant to their role:

*'Housing Associations have as big a flow of lets as councils do, and there's always a bit of unevenness in relation to the role that Housing Associations played. Some Housing Associations are very much part of that picture in providing allocations to statutory homeless people; others less so.'* (Third sector interviewee, May 2019)

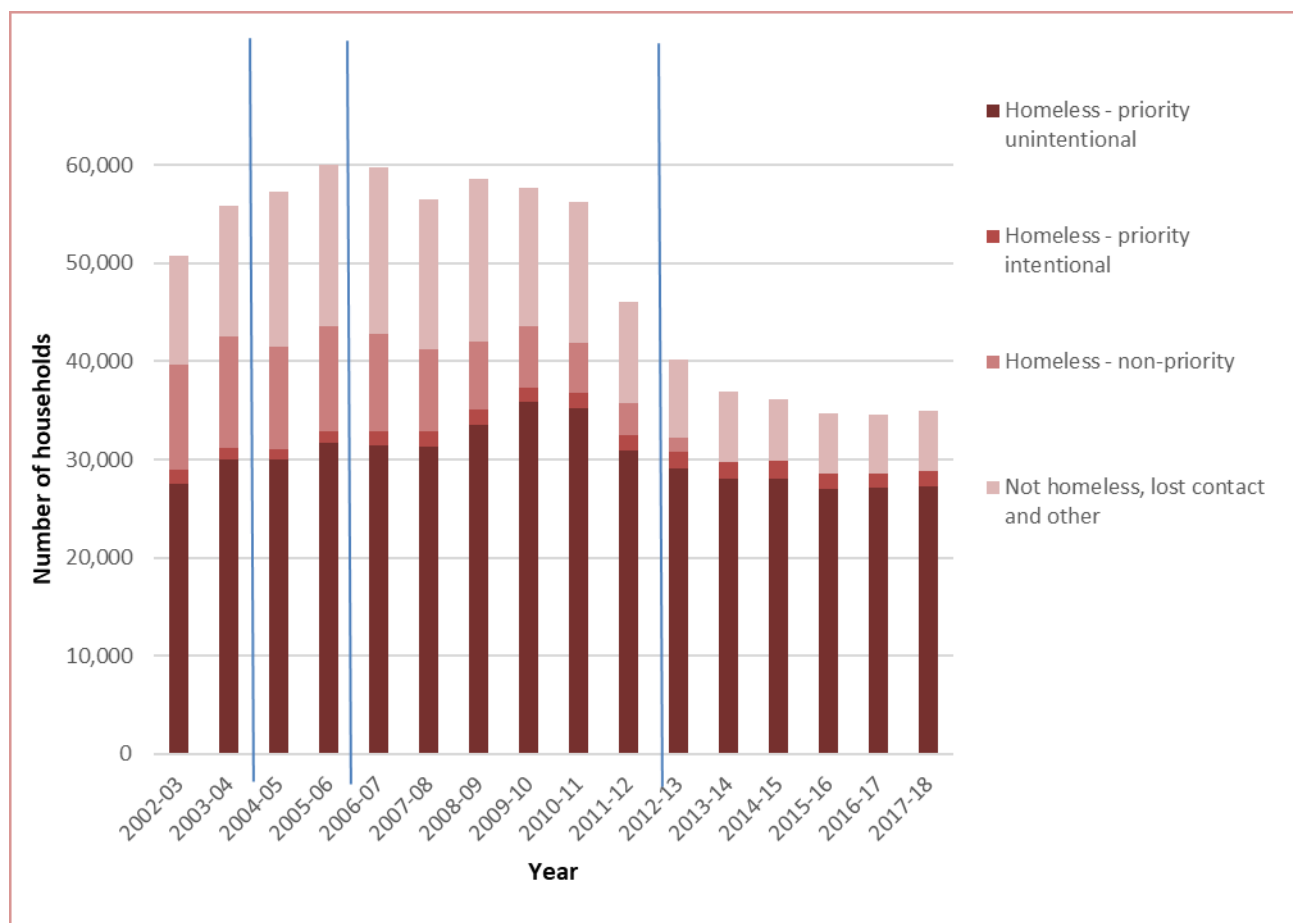
- 5.41 One participant went so far as describe there being 'plenty of resistance... from a Housing Association point of view in the run up to the abolition' and went on to describe that Housing Associations continue to see their role on homelessness as 'helping out' (social housing sector interviewee), rather than having a core role in resolving homelessness alongside local authorities. That Housing Associations play an uneven role in accommodating homeless households is something borne out by lettings data. A recent study on temporary accommodation in Scotland highlighted that the proportion of new Housing Association lets to homeless households is 31% across Scotland (compared to 51% of new local authority lets), and varies from lows of less than 15% in South Ayrshire, Falkirk and Inverclyde to highs of over 50% in East and Mid Lothian, Moray and the Shetland Islands (Watts et al, 2017). This being said, the proportion of Housing Association lets going to homeless households did increase over the course of the phase out of the Priority Need test, as discussed in the next section.



## Impacts

- 5.42 This section considers the impacts of phasing out the Priority Need test in Scotland, drawing on participant testimony, available administrative data and wider published evidence where available. The key themes covered are the impact of the phase out on applications and decisions; on the experiences of homeless households and frontline workers; and on demand for and use of temporary accommodation and social housing for homeless households.
- 5.43 Figure 1 above began to show that phasing out of the Priority Need test, combined with the mainstreaming of the Housing Options approach to homelessness prevention, had major impacts on the volume of applications and decisions made under the statutory homelessness system. Figure 2 deepens this analysis by looking in more detail at the assessment decision reached. While applications (see Figure 1) along with assessment decisions peaked in 2005/6, the volume of **homeless acceptances** (i.e. the number of households owed the Full Rehousing Duty) **peaked at just over 37,000 households in 2009/10**. People's expanded entitlements under the homelessness legislation are a key driver here, both in terms of the greater likelihood of households approaching local authorities for help and in local authorities' subsequent duties to them, though it should be noted that these early/mid 2000s trends mark an acceleration of a broad upward trend in official homelessness during the 1990s (Scottish Government, 2013).
- 5.44 That these figures peak well before the end of 2012, falling **gradually to 2010/11 and dramatically thereafter**, is widely understood to reflect the introduction of **the Housing Options approach**. Comparing the 'base year' (2003/04) with the first full year following Priority Need abolition (2012/13), the annual number of **households assessed as 'full duty cases'** subsequently (taking 2017/18 as the most recent year), full duty cases have fallen by another 1,871 – or 6%. The underlying message here then is that an **increasing emphasis on homelessness prevention more than 'compens** under the homelessness legislation brought about by the phase out, as measured by Full Duty Acceptances.

**Figure 2: Local authority homelessness assessment decisions in Scotland, 2002-2018**



Source: Scottish Government HL1 Homelessness Statistics

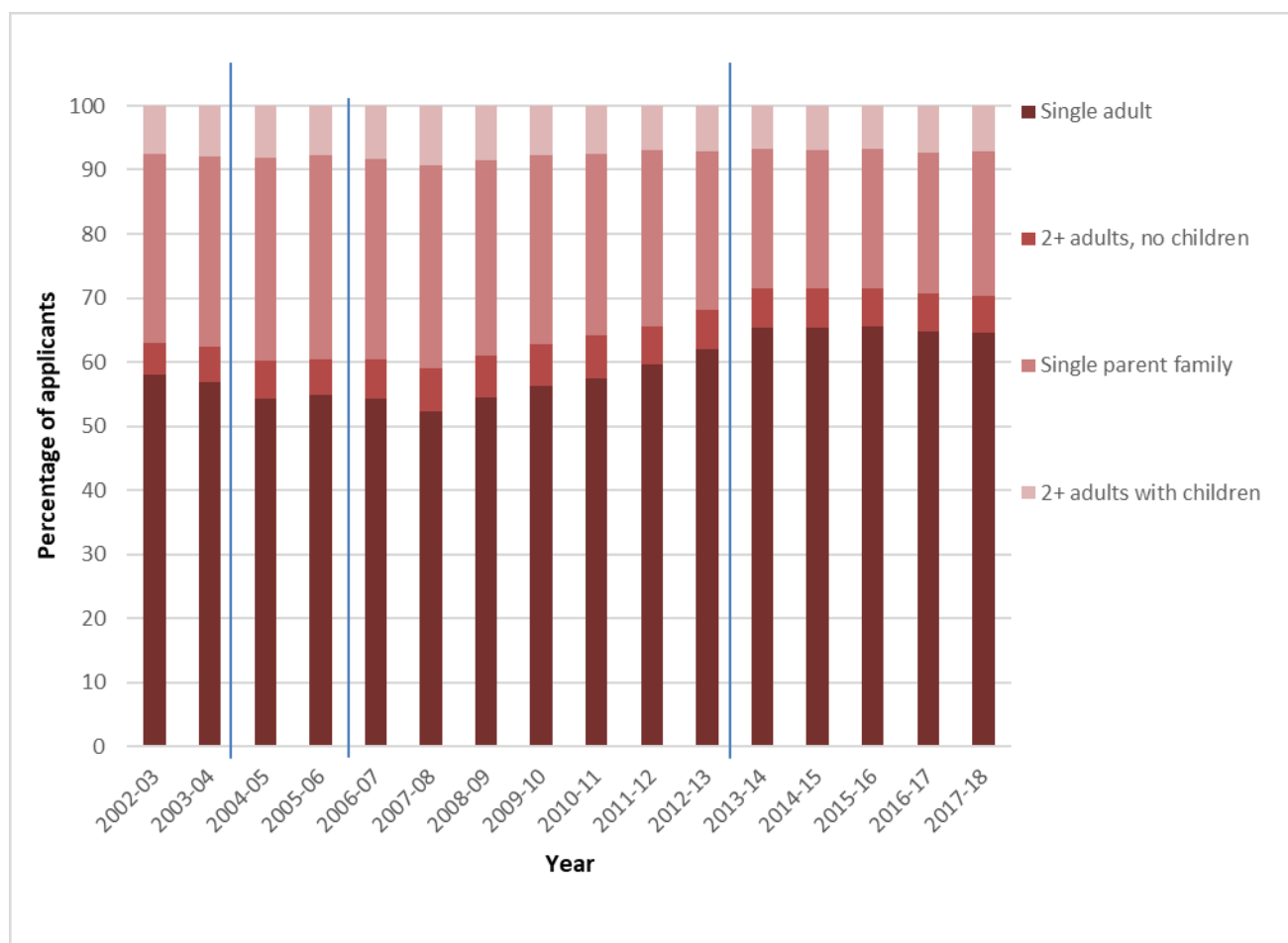
5.45 Finally, Figure 2 indicates a slight increase in intentionality decisions. While the proportion of intentionality assessments increased from 2-3% in the early 2000s to 4-5% at the end of phase-out period in 2012-13 and subsequently, this is in substantial part reflective of the decrease in ‘not homeless’ assessments seen, and the absolute numbers effected have not changed dramatically, fluctuating around 1,500 households per year since 2002/03. It is also worth noting that these national trends aggregate highly differentiated experiences at the local level.

5.46 These administrative statistics also reveal the impact of the Priority Need phase out and introduction of prevention-centred practice on the profile of the statutory homelessness caseload. Figure 3<sup>5</sup> focuses on the **profile change** in relation to

<sup>5</sup> Figures 3 and 4 are drawn from special tabulations (unpublished) kindly provided to the research team by the Scottish Government.

household type, showing that over the period from 2002-2018 single adults came to make up a higher proportion of applicants owed the Full Duty, rising from 54% in 2004/05 to 62% in 2011/12 and representation of **family households fell from 40% to 32%.**

**Figure 3: Percentage breakdown of applicants owed the Full Duty by household type in Scotland, 2002-18**



Source: Scottish Government HL1 Homelessness Statistics

5.47 This analysis leads to the central question of the extent to which these changes in formal applications and assessments reflect improvements in the experiences of and outcomes for homeless households. In terms of housing outcomes, over **70% unintentionally homeless households now secure a settled housing outcome** under Scotland’s statutory homelessness system (usually a social housing tenancy<sup>6</sup>), **up from just 48% in 2002/03 and around 65% immediately following the**

<sup>6</sup> A settled outcome in the Private Sector remains a rare outcome in Scotland, accounting for just 5% of settled housing outcomes in 2017/18 (Watts et al, 2018).

phasing out of the Priority Need test (Scottish Government, 2019). Of the households who now do not have a settled housing outcome, the largest proportion are recorded as having 'lost contact' with the local housing authority (14% of applicants, down from 31% in 2002/03, see Scottish Government, 2019) and it is not clear here whether outcomes are positive or negative. However, it is clear that lost contact rates differ substantially between local authority areas and resettled housing outcomes are much lower for those experiencing severe and multiple disadvantage (some combination of homelessness, offending and substance misuse) (Watts et al, 2018; Bramley et al, 2019).

- 5.48 In line with this statistical story, participants were in no doubt that phasing out of the Priority Need test had **improved the experiences of those previously excluded** by the Priority Need test:

*'The one [impact] that we shout from the rooftops is the fact that all single people, or all homeless households, are entitled to settled accommodation. (Statutory sector interviewee, May 2019)*

*'I t g a v e s i n g l e p e o p l e s o m e d e g r e e o f p r o t  
improvement in the quality of life for some people. (Local authority interviewee, May 2019)*

- 5.49 While there has been no systematic evaluation of the impact of phasing out the Priority Need test in Scotland, wider research also points to the positive impacts of the reformed Scottish system. In a comparative study of the experiences of single homeless people across Great Britain conducted after the phase out of the Priority Need test, Mackie and Thomas (2014) find that 'the picture in Scotland is positive relative to the rest of Great Britain', reflecting primarily single people's expanded entitlements to settled and temporary accommodation. They also found that single homeless households in Scotland were less likely to have been offered no advice than their counterparts elsewhere in Britain, though less likely to report that their homelessness has ended or that they have been treated well. This is something the authors suggest may reflect the combined impact of increased demand for services and raised expectations. The small sample size of Scottish component of the survey (n=54 of 480 responses) should, however, be noted.

5.50 Based on a qualitative comparative study of responses to homelessness among single men in Scotland and Ireland undertaken in 2011/12, Watts (2014) argued that the Scotland's expanded framework of legal rights empowers this group in several senses: first, by **minimising the discretion of service providers**, the 'simplicity and bluntness' (p.15) of the legal framework 'enforces a **focus on meeting the needs of homeless households** for settled housing by crowding out competing policy objectives' (p.15) like 'housing readiness', deservingness, social mix in the rehousing location, and local reactions. Second, Watts argues that the legal rights afforded to the single men she spoke to in Scotland 'appear often to be internalised as a sense of **legitimate entitlement to support** and a more assertive set of dispositions. Homeless men are cast as entitled rights-holders, not grateful supplicants' (p.15). This was an idea that was also voiced by some participants in this study:

*'People are more confident to ask for help, and have more of a sense of entitlement to assistance, which I think is good. It slightly changes the power balance between homeless people and the people who have all the resources.'*  
(Third sector interviewee, May 2019)

5.51 The long running Homelessness Monitors series<sup>7</sup> (funded by Crisis and the Joseph Rowntree Foundation) which tracks trends in homelessness across the four UK nations also reaches positive conclusions about the Scottish model, crediting expanded legal entitlements combined with homelessness prevention with the very different statistical trends in homelessness seen in Scotland compared to England and Wales, where almost all measures began to increase from around 2010. The authors specifically credit single people's increased entitlements for the downward trends in rough sleeping and repeat statutory homelessness seen in the decade to 2012 (Fitzpatrick et al, 2012). For example, the Scottish local authority homelessness recording system (HL1) shows that the number of people reporting they slept rough the night before making a homelessness application fell from around 2,750 households in 2008/09 to a fairly static figure of around 1,500 households each year between 2013/14 and 2017/18.

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<sup>7</sup> See [Homelessness Monitor](#)

5.52 In an evaluation based on analysis of administrative data, an evidence review and four discussion groups with local authority homelessness staff, voluntary sector workers, Housing Association representatives and people with experience of homelessness conducted in 2011/12, Anderson and Serpa (2013) also draw positive conclusions. They conclude that ‘the expanded homelessness safety net removed longstanding discrimination between different groups of homeless households, thereby increasing equality in access to housing’ (p.34). However, they also cite challenges, in particular the risk that the accompanying shift towards Housing Options prevention has ‘diluted’ the strength of the legal safety net with prevention activity hypothesised to be a mix of ‘genuine prevention’ and ‘gatekeeping’ (see also Fitzpatrick et al, 2012). Arguably, the Scottish Housing Regulator’s critical thematic review of Housing Options approaches in Scotland in 2014 pushed local authorities back towards a much more cautious and ‘light touch’ approach to prevention, in an attempt to reduce the risk of gatekeeping. As a result, there is a high (though varying) degree of overlap between households applying formally as homeless and receiving informal Housing Options type assistance (Fitzpatrick et al, 2016, 2019).

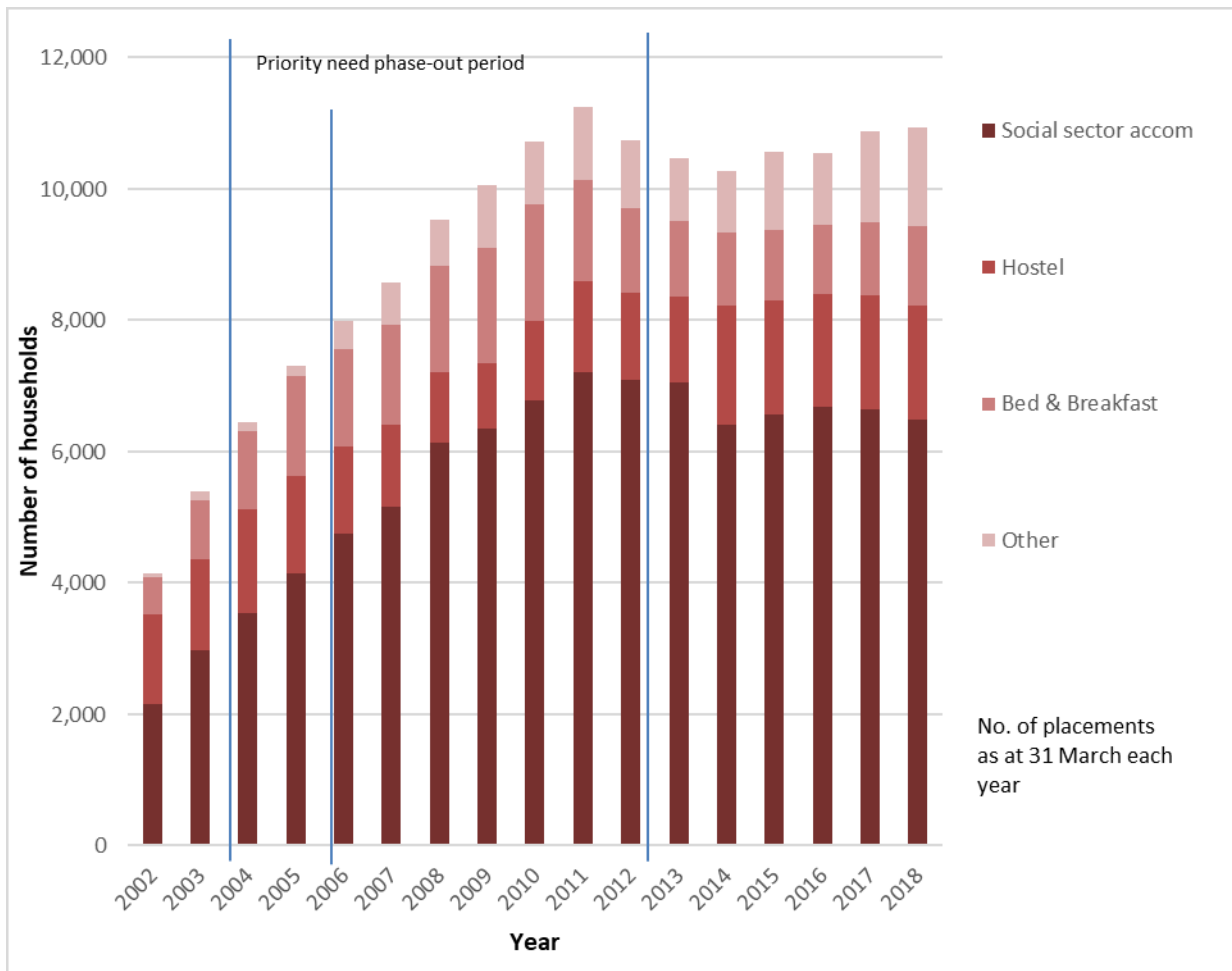
5.53 Participants in this study pointed to another positive impact of the phase out of Priority Need on local authority homelessness teams and the culture of responses to homelessness. The core idea here was that removing the Priority Need test enabled a **s h i f t f r o m a ‘ r a t i o n i n g ’ m o d e l t o a ‘ p** focused on meeting people’s needs, and that this had positive effects for both people experiencing homelessness and local authority staff in terms of job satisfaction:

*‘there was quite a big change in culture from the homelessness officer who simply ticked a box, and then at the end of the box-ticking exercise said, ‘Well, here’s your list of B & Bs’, or, ‘No, we’ve were really, the job was much more about coordinating a service response to people’s needs ...ofound effect in changingthe outlook and I think there was a great deal more job sat for solutions, rather than rationing. It’s a much more satisfying task trying to help people, rather than finding excuses not to. (Third sector interviewee, May 2019)*

- 5.54 This final participant did express some concern that these positive initial impacts may have ‘worn off a little bit’ subsequently. Another participant, commenting specifically on the pressures in Edinburgh, made the point that with these expanded duties, high case loads can undercut the quality of response people receive. Their primary concern was on assessment of support needs and effort to put required supports in place. A Glasgow based participant (May, 2019) felt that staffing constraints limited the city council’s capacity to generate Section 5 referrals to ensure homeless households could access settled housing.
- 5.55 In addition to the significant positive impacts on homeless households and frontline workers described here, and the findings of the existing evidence base reviewed above, the Scottish approach has received international plaudits (Tars and Egleston, 2009). This includes an international Human Rights Protector award (see Anderson, 2007), and consistently being held up as a world-leading exemplar of homelessness responses. Nevertheless, the existing evidence base and the quantitative and qualitative elements of the current study point to a number of unintended and/or less positive consequences of phasing out the Priority Need test, which are instructive for other jurisdictions considering similar reforms. These concern the impacts first, on demand for and reliance upon temporary accommodation and second, on demand for and allocations of social housing.
- 5.56 The most dramatic impact of the phasing out of the Priority Need test revealed by administrative data concerns the **increased use of temporary accommodation**. Figure 4 shows these changes, revealing the almost **tripling of temporary accommodation placements between 2002 and 2011**, and their stability at an historic high of over 10,000 since then. During the ‘active’ Priority Need phase out period (2004/05-2011/12) total temporary accommodation placements rose from some 8,000 to some 11,000 (37.5%). While use of temporary accommodation prior to the phase out of the Priority Need test was rising (in line with rising homelessness generally), there is little doubt that local authorities’ expanded duties to accommodate homeless households is the primary driver of this radical trend (Fitzpatrick et al, 2012; Scottish Government, 2019). The stability of temporary accommodation placements at a high level since the phase out is also attributed to this expansion in rights. In a recent mixed methods review of temporary

accommodation in Scotland, Littlewood et al (2018, p.88) concluded that '[t]rends over time in temporary accommodation use reveal a sector that responded to the removal of Priority Need in 2012 by hugely increasing the amount of temporary accommodation available, and which has subsequently struggled to clear this 'backlog'.'

**Figure 4: Homelessness temporary accommodation placements in Scotland, 2002-2018**



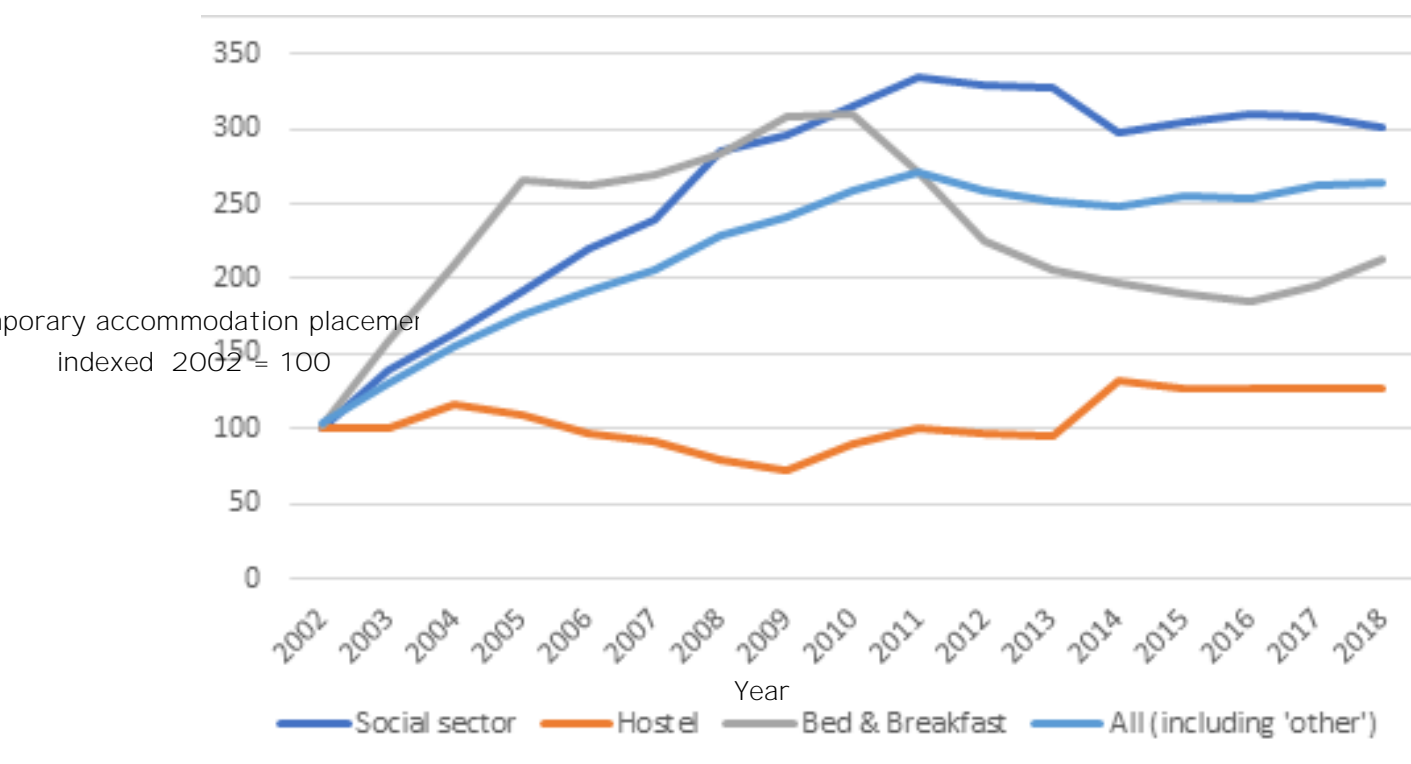
Source: Scottish Government HL2 Homelessness Statistics

5.57 The phase out period also saw a radical transformation in the kinds of temporary accommodation used (Littlewood et al, 2018; Watts et al, 2018). Social sector temporary accommodation (ordinary dispersed council or Housing Association accommodation known as 'temporary furnished flats') remains the most used form of temporary accommodation, and has seen the highest growth as a form of temporary accommodation since 2002, with that growth concentrated in the phase



out period. **The post-2002 period also saw a radical expansion in the use of Bed and Breakfast accommodation**, with extremely fast growth in the early 2000s, slower growth in the late 2000s (likely reflecting the introduction of the 2004 Unsuitable Accommodation Order restricting the use of such accommodation for families, see Littlewood et al, 2018) and then a decline from 2010 to 2016, when B&B placements began to rise again. It should be noted that these trends are largely driven by a small number of high B&B using, high pressure local authorities, with many areas not using this form of accommodation at all (Littlewood et al, 2018; Watts et al, 2018). The most dramatic trend in the types of temporary accommodation used concern the enormous growth from a very low base of 'other' kinds of temporary accommodation, which primarily refers to Private Rented Sector accommodation leased by local authorities for this purpose (see Figure 4, not shown in Figure 5 due to scale of increase). The use of hostels as a form of temporary accommodation has been more stable, fluctuating around 2002 levels for the phase out period before stabilising at a somewhat higher level from 2014.

**Figure 5: Changes in types of temporary accommodation placement, 2002-2018 (indexed to 2002 values)**



Source: Scottish Government HL2 Homelessness Statistics

5.58 While it is generally recognised that homeless households' entitlements to temporary accommodation are a crucial and valued element of Scotland's statutory safety net (Littlewood et al, 2018; Watts et al, 2018; Shelter, 2017), significant concerns surround the use of temporary accommodation in Scotland. These orientate around four themes: **access to temporary accommodation** (a particular problem in Glasgow); the **quality and appropriateness of temporary accommodation**, particularly congregate forms including Bed and Breakfasts and hostels mostly used to accommodate single people; the **length of time people stay in temporary accommodation** (note that this varies enormously by area, household type, and temporary accommodation type); and the **cost of temporary accommodation to the public purse** (see Littlewood et al, 2018; Watts et al, 2018; Scottish Housing Regulator, 2018; Shelter Scotland, 2017; Sanders and Reid, 2018). These concerns were strongly echoed by participants:

*'We can't ignore the fact that there is a significant problem with temporary accommodation, and accessing it, in some cases. In most cases, single men, who Priority Need removal was meant to really champion those problems continuing expensive temporary poor quality accommodation. (Third sector interviewee, May 2019)*

5.59 The existing research base in this area (in particular see Littlewood et al, 2018; Watts et al, 2018), and participants in this study are clear that these problems are particularly **acute in high volume and/or high pressure areas** like Glasgow (see Scottish Housing Regulator, 2018) and Edinburgh:

*'Having got to a situation where we've done away with Priority Need, what you have now in the Edinburgh context are very high numbers of people who are sat and stuck in temporary with very high percentages of ... That the lets coming through going to statutory percentages, you've got that bottleneck within the system. (Social housing sector interviewee, May 2019)*

5.60 These concerns about temporary accommodation have led to various interventions by Scottish Government to restrict the use of B&B accommodation, initially for families (see Watts et al, 2018 for a summary), but more recently for single people

too<sup>8</sup>, to improve temporary accommodation standards generally<sup>9</sup>, and move to a rapid-rehousing by default response to homelessness (Scottish Government, 2018).

5.61 Consistent with the temporary accommodation trend, the period to around 2011 saw **a sustained increase in the proportion of social rental sector lettings being allocated to homeless households**. This trend shown in Figure 6 is in keeping with the rising number of full duty acceptances seen in the period to 2009-10 (see Figure 1). What made this especially problematic was its coincidence with a drop in available social lets, which saw the number of lets to new tenants decline from some 50,000 in 2004-05 to 44,000 in 2010-11. Subsequently, however, underpinned by expanded new housebuilding, overall supply has remained more stable<sup>10</sup>. Once again, it should be noted that the **proportion of social housing allocated to homeless households** ranges widely between local authorities, from **less than 20% in East Ayrshire and Inverclyde to over 60% in higher pressure areas** like East and West Lothian. As Figure 6 shows, while allocations to homeless households increased for both local authority and Housing Association lettings during the phase out period, this 'burden' is shared differentially, with the former contributing up to double the proportion of their stock to accommodating homeless households compared to the latter. This perhaps explains why some participants described the impact of the phase out on Housing Associations as 'relatively minimal' (Third sector interviewee, April 2019) despite the trends seen below.

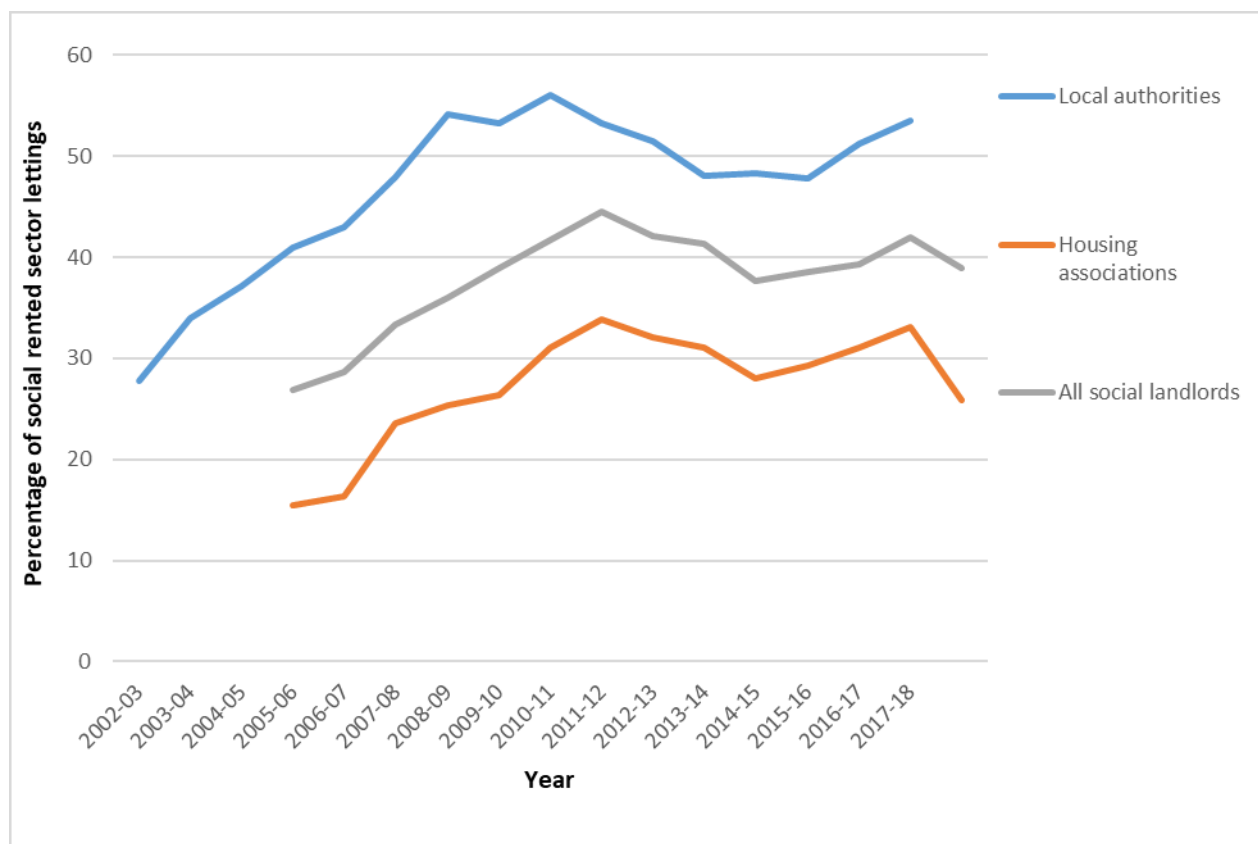
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<sup>8</sup> See [A consultation on improving Temporary Accommodation Standards \(Scottish Government\)](#)

<sup>9</sup> Ibid.

<sup>10</sup> Stephens, M. et al (2019) UK Housing Review 2019; CIH: Coventry – Table 104

**Figure 6: Proportion of social rental sector lettings allocated to homeless households**



Source: Scottish Housing Regulator ARC data

5.62 These trends were understood to result from the combination of two related effects. First, that increasing entitlements to settled housing inevitably puts more demand on social housing stock from homeless households. Second, and less directly, some participants posited a ‘migration effect’ (Local authority interviewee, May 2019), whereby increased competition for social housing encouraged a wider group of households to apply as homeless than had previously been the case:

*‘the one thing that I would point to is the impact on allocations. In some areas, people who wouldn’t necessarily have approached the local authority as homeless were doing that because that was the only way they could get access to the accommodation ... That’s a statutory sector I live in.’* (Statutory sector interviewee, May 2019)

5.63 Despite these clear impacts on demand for and allocation of social housing, some participants emphasised that the picture was more complex than a tale of ‘local families’ missing out to single homeless households:

*'I certainly don't think that families with children were any worse off as a result of it.'* (Third sector interviewee, May 2019)

*'people who were ruled out by Priority Need, who were generally speaking they're generally not competing for the same properties as families.* (Local authority interviewee, May 2019)

- 5.64 Moreover, while acknowledging the impacts on social housing demand and allocations, participants were unanimously of the view that this did not undercut the case for abolishing the Priority Need test, seeing it as 'the right decision' in spite of these pressures (Local authority interviewee, May 2019) (only one participant highlighted the impact of these trends on the 'residualisation' of social housing). Another local authority participant expanded on the point:

*'the obvious counter-argument, or the common counter-argument [to phasing out the Priority Need test] that we came up against was, well, there aren't enough houses ... but basically, I think the view of a pressurised housing system, which we undoubtedly did do, surely that's a case for giving more protection to people who are homeless, not less?'* (Local authority interviewee, May 2019)

### **Assessing current Scottish homelessness legislation**

- 5.65 Drawing on the participant interviews conducted for this study and available evidence this section considers the shape and adequacy of the current post-Priority Need homelessness legislation. It draws in particular on the outcomes and recommendations of the cross-sector Homelessness and Rough Sleeping Action Group (HARSAG) convened by Scottish Government in 2018 to make recommendations on how to eradicate rough sleeping, transform the use of temporary accommodation, and ultimately end homelessness<sup>11</sup>.
- 5.66 The strengths of the current Scottish system have been clearly explicated by the above discussion, and concern the enforceable legal rights to temporary and settled accommodation owed to virtually all homeless households. Available administrative data, published research evidence and participant testimony renders clear the

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<sup>11</sup> See [Homelessness and Rough Sleeping Action Group \(Scottish Government\)](#)

material outcomes this system leads to for the almost 30,000 households accepted as owed the full rehousing duty annually (Scottish Government, 2019). This is a policy response that reaches a sizeable minority of the population, with Waugh (2018) calculating that at least 8% of the population of Scotland had been assessed as homeless at some point in their lives. It is worth recapitulating the uniqueness and generosity of this policy response in global and UK terms (Fitzpatrick and Stephens, 2007; Fitzpatrick et al, 2012; Fitzpatrick and Pawson, 2016).

5.67 Here the focus is on three issues, challenges or weaknesses that pertain in the current Scottish homelessness context with a view to clarifying the limits of Scotland's wide legal safety net. These are: use and quality of temporary accommodation; the experiences of individuals experiencing homelessness alongside other 'complex needs'; and the weakness of homelessness prevention. Underpinning these themes is a recognition that while the phase out of Priority Need became the 'lynchpin' (Third sector interviewee, April 2019) of the early 2000 homelessness reforms in Scotland, they were not (and indeed were never imagined or intended to be) a panacea for homelessness.

5.68 The dramatic impact of the phase out of the Priority Need test on demand for and use of temporary accommodation, including unsuitable forms of temporary accommodation, and temporary accommodation for sometimes very long periods of time, were made clear above. Participants identified this as a key weakness of the current system:

*'the extent to which temporary accommodation pressure rose. That's a big negative, both in financial terms and in people's service quality terms.'* (Third sector interviewee, May 2019)

5.69 This view is strongly articulated in both the remit of and recommendations made by HARSAG and accepted by Scottish Government (HARSAG, 2018; Scottish Government, 2018) and in research on temporary accommodation undertaken under the remit of the Action Group, which concluded that '**Scotland's temporary accommodation system is not fit for purpose**', offering at best 'a short term, high quality, suitable stop gap en-route to settled housing' but at worst and too often 'forc[ing] people into a negative and damaging environment for an extended period

that profoundly restricts their autonomy, undermines their well-being and damages their future life chances' (Watts et al, 2018, p.8). Core to the purposes of this review, the increase in the use of temporary accommodation seen in Scotland is in significant part the result of the phasing out of the Priority Need test, but what is clear from existing evidence is that **this impact need not have been** - or continue to be - the necessary cost of an expanded system of legal rights to housing for homeless households, for two key reasons.

- 5.70 First, the emphasis on homelessness prevention came well into the phase out process, and has evolved into a '**l i g h t t o u c h**' **p r e v e n t i o n s t r a t e g y** that has remained (unlike in England and Wales) non-statutory and informal (Fitzpatrick et al, 2016, 2019). Second, a key proposal of HARSAG was a move towards a '**rapid rehousing by default**' response to homelessness (see Indigo House, 2018a, 2018b), i.e. one that explicitly seeks to minimise time spent in temporary accommodation, an aim and focus that was not introduced concurrently with the Priority Need phase out. An earlier and stronger emphasis on homelessness prevention (to minimise inflow into temporary accommodation) and rapid rehousing (to maximise outflow) could break this link between the expansion of legal entitlements to single households and these unwelcome impacts on temporary accommodation.
- 5.71 The second key limitation of the current Scottish homelessness legislation to emerge from this analysis concerns its efficacy for the subgroup of homeless households with needs beyond those for housing, and at the extreme, those with 'complex needs' (homelessness, offending, and/or substance misuse), including those sleeping rough. Indeed, growing concern about rough sleeping was a key driver of the Scottish Government decision to convene HARSAG. Yet, Littlewood et al (2017) documented that from 2009-10 to 2016-17 there was a 45% reduction in the number of applicants reporting sleeping rough the night before presenting as homeless, from 2,745 in 2009-10 to 1,500 in 2016-17. Levels of rough sleeping in Scotland have subsequently remained relatively constant – in 2018/19 1,643 households reported sleeping rough the night before presenting as homeless (Scottish Government, 2019). **C o n c e r n s a b o u t t h e ' c o m p l e x n e e d s' h a v e b e e n v o i c e d f o r s o m e t i m e** (Shelter Scotland, 2016; Littlewood et al, 2017,

Fitzpatrick et al, 2015, 2019; Bramley et al, 2019). Participant interviews for this study indicated a consensus that the phase out of the Priority Need test had not met the needs of this group (though note that the aims of the reform were not expressed in these terms, see above):

*'Rough sleeping, sadly, still is a major issue, but it's not due to a failure, really, of the homelessness legislation. It's due to the product of asylum and immigration legislation; failures of mental health services; the sort of services that were available through Supporting People, that helped people sustain their tenancies. So it's people who've got additional needs, it seems to me, are the ones who are losing out now. Whereas, 20 years ago, it was those, and a whole load of others. So I think we appear to have partially solved the problem, but we haven't solved it for the most acute.'* (Local authority interviewee, May 2019)

- 5.72 Agreeing with this perspective, one local authority participant (May, 2019) emphasised that the Priority Need reforms strengthened people's entitlements to housing, **but did not strengthen access to the kind of interventions also needed** by those experiencing homelessness alongside other non-housing needs:

*'Homelessness is never going to be solved by housing alone. That, I think, was the big thing that was lacking ... housing a managing homelessness according to the new legislation where it was primarily a housing problem. I think we did the things that we had to do, we did the advice and information, we extended the temporary accommodation, we looked at how we let properties, we gave high proportions of lets, we implemented Housing Options, we did what we could in terms of always has been the fact that there are a lot of cases in which housing itself isn't the fundamental problem. I'm not saying that housing isn't needed as part of the solution because it is, but it's not going to be something that Housing on its own can solve... the amount of responsibility or attention that could have been paid to and/or taken by other types of services was a big deal.'* (Local authority interviewee, May 2019)

- 5.73 A recognition of these issues was core to HARSAG's recommendations and Scottish Government's resulting Action Plan, which featured a major focus on



mainstreaming **Housing First**, building partnerships with the justice and health sectors, a 'no wrong door' approach, and year round **empowered outreach** services (Scottish Government, 2018).

- 5.74 The final key weakness of the current Scottish homelessness response relates to homelessness prevention. Despite the roll out of Housing Options in 2010/11, the model of **prevention pursued was never as assertive** as that pursued in England since the early 2000s (in part reflecting concerns about gatekeeping associated with this approach). Indeed the impetus towards more assertive prevention in Scotland was weakened by a critical Scottish Housing Regulator report in 2014, which raised concerns about the tension between people's legal entitlements and attempts to informally prevent their homelessness (Fitzpatrick et al, 2012, 2016, 2019; Anderson and Serpa, 2013; Scottish Housing Regulator, 2014). Participants involved in this study were of the view that 'we haven't really bottomed-out prevention' (Third sector interviewee, April 2019) and that some of the strides made in the early 2010s had 'fallen away' (Local authority interviewee, May 2019) in the face of financial pressures on local authorities, homelessness prevention work being a non-statutory function, and the 'lost confidence... [and] lost momentum' (Local authority interviewee, May 2019) resulting from the regulator's intervention. There was a strong view that there **needs to be a 'rebirth or refresh on a wider preventative and early interventionist approach'** (Local authority interviewee, May 2019), that utilises all available evidence on the drivers of and risk factors associated with homelessness, and involves all relevant partners, not just housing services:

*'a lack of focus on prevention... that's the major problem in the current legislation is there's not need to change in Scotland is that homelessness is everyone's duty, it's not just the housing department and the local authority.'* (Local authority interviewee, May 2019)

- 5.75 This echoes HARSAG's recommendations and Scottish Government's resulting high level strategy on homelessness, which commits to ensuring that prevention is 'embedded as a defining principle of our system' (Scottish Government, 2018,

p.21) including via the introduction of a new legal duty on local authorities, wider public bodies and delivery partners to prevent homelessness. In Wales, of course, the homelessness prevention context is very different to that in Scotland and resembles, to at least some extent, the vision that Scottish Government is now aiming for.

### **Chapter summary**

- 5.76 The primary motivations for phasing out the Priority Need test in Scotland were to **'do something different'** on homelessness in light of perceived UK Government failings in this area and Scotland's new powers as a devolved nation, and to **right what was perceived as an historic wrong** that excluded single people, without good justification, from the help they needed.
- 5.77 There was a strong **consensus in favour of the reforms at national level** among political and homelessness sector leaders. **At the local level, views were more mixed**, with concerns primarily orienting around the practical challenges of phasing out the Priority Need test, but also, to a lesser degree, reflecting a more fundamental resistance to the proposals. The approach taken to phasing out the test was defined by two key features: the very **long phase out** period and the **discretion given to local areas** regarding how the test was phased out. This approach was taken primarily to ease resistance and aid implementation at the local level.
- 5.78 **Leadership, resources**, and the introduction of the **Housing Options preventative approach** were identified as **key enablers** to meeting the 2012 target. While the failure to increase **affordable housing supply** was identified as a barrier, this did not ultimately damage local authority capacity to implement the phase out.
- 5.79 Despite the absence of a formal evaluation of the impacts of the phase out, available evidence and expert opinion is unequivocal that it had a **positive impact on the single homeless households** 'enfranchised' by the change, most notably in giving them access to temporary and settled accommodation where previously they were entitled to very little help. There is also some indication of positive impacts on local authority **staff teams and service culture** too. Regardless of

these impacts, those working in the homelessness sector are unanimously of the view that it was ‘**the right principle**’

- 5.80 The phasing out of the test did, however, bring unintended and less welcome impacts, namely a very significant **increase in the use of temporary accommodation**, including less desirable congregate forms of temporary accommodation, and an **increase in the proportion of social housing lets** allocated to homeless households.
- 5.81 Three key weaknesses of the current post-abolition Scottish system were identified here: a heavy **reliance on temporary accommodation**, a need to radically improve services for people at risk of or experiencing homelessness alongside other **complex needs**, and a failure to introduce adequate and robust enough **homelessness prevention** policy and practice. While high use of temporary accommodation can be seen in large part as a result of phasing out the Priority Need test, there is considerable **hope amongst participants going forward** that **better prevention** and a **rapid rehousing** response can address this. Emphasis on these concurrent with the Priority Need phase out could have reduced the impact of the reform on temporary accommodation use. The gap in effective responses for those with complex needs is clearly identified as an issue that the Priority Need reforms were not intended – and could not – address, with a suite of measures now being introduced to meet this challenge.
- 5.82 This account of Scotland’s experience of phasing out the Priority Need test makes clear the **egalitarian and social justice values** that drove the legal change. While other countries may prioritise or weigh in the balance different values, it is worth emphasising that over seven years on from the full abolition of the test, participants from across the voluntary sector, national government, local authorities and the social housing sector see **the decision to phase out the test as the right one** in principle and as having had positive impacts for single homeless households.
- 5.83 It is also clear that whilst the phase out has **had more challenging impacts** – namely increasing demand for temporary accommodation and the share of social housing lets allocated to homeless households – these do not amount to undercutting participant positivity about abolishing Priority Need. There is also a

recognition that the impacts on temporary accommodation seen during the phase out could have reduced through more effective prevention and a concerted effort to rapidly rehouse. In the case of social housing allocations, it is worth reinforcing that participants – including those working in this sector – were supportive and positive about the move away from Priority Need testing and there was very little emphasis on the impact of higher allocations to homeless households on ‘residualisation’ or housing management challenges.

- 5.84 It is important to conclude that while the phase out of Priority Need became the lynchpin of the early 2000 homelessness reforms in Scotland, they were not (and indeed were never imagined or intended to be) a panacea for effectively tackling homelessness in Scotland.
- 5.85 Having developed a firm understanding of the strengths and weaknesses of the Priority Need test in Wales and explored the Scottish experience of abolishing the test in depth, the next chapter will seek to define the potential future options for Priority Need in Wales.

## 6. Options for change: potential futures for Priority Need in Wales

6.1 This chapter explores **perspectives on the potential future options** for Priority Need in Wales. Interviews, stakeholder workshops, and workshops with people who have experienced homelessness, identified **four main potential future options: retain the status quo** (Option 1), a **temporary accommodation duty** for all households (Option 2), an **amendment to Priority Need** groups (Option 3), and the **abolition of Priority Need** (Option 4). These main options closely reflect proposals identified in previous studies (see Chapter 2). In addition, two alternatives were suggested by some participants but these received limited support and were discussed in very little detail. Therefore, the chapter will focus on the four main potential future options and briefly describe the other two.

6.2 The chapter discusses participant views on each of the options in turn. However, many participant comments about potential strengths and weaknesses were common to both an amendment to Priority Need groups (Option 3) and abolition of the Priority Need test (Option 4). For example, both options would increase the number of people who must be housed and so both create new demand for accommodation, albeit to different degrees. In order to avoid unnecessary repetition in the chapter, in these instances the impacts are generally discussed in the section on abolition of Priority Need because it would be under this option that impacts are most pronounced.

6.3 Finally, it is important to note that it was not within the remit of this research project to recommend an option but instead provide an evidence base on the potential future options available.

### **Option 1: Retain the status quo**

6.4 Participant perspectives on the status quo have already been discussed in depth (see Chapter 4). However, retaining the status quo is a potential future option and so it is important to briefly summarise the key findings in relation to it.

6.5 The majority of participants perceived the status quo to be 'unjust' because some homeless people are **turned away with no solution** and '**i n a n i d e a l w o r l d t e s t w o u l d n o t b e n e e d e d**'. This was a view shared by senior officials and

politicians in Scotland prior to abolition of the test in Scotland (see Chapter 5).

However, within current resource limitations in Wales **some form of rationing and prioritisation was thought to be required** and the Priority Need test was perceived by the majority to **target and provide a safety net for many vulnerable groups** (e.g. 16-17 year olds, families with dependent children, people facing domestic abuse). Yet, perceived weaknesses (discussed below) of the current Priority Need test mean that most participants would like to see at least some form of change, for example an extension of the Priority Need groups.

- 6.6 A key weakness identified by participants was that the threshold being used to assess vulnerability was too high and so **potentially vulnerable people such as rough sleepers were being excluded**. Participants were also critical of the vulnerability test because it **encouraged people to become more vulnerable** in order to 'earn' priority status. Again, this was a concern also identified in Scotland prior to the abolition of the Priority Need test (see Chapter 5) but also a concern previously identified in relation to Welsh legislation (see Chapter 2).
- 6.7 Participants were also almost unanimous in their conclusion that the Priority Need test was **implemented inconsistently**, particularly in the application of the vulnerability test. Despite the clear message regarding the inconsistency of implementation, participants did highlight how the **situation would be worse in the current constrained resource context if there was no Priority Need test**. Some participants explained that, with the exception of the vulnerability test, many of the Priority Need groups (e.g. households with children) are well defined and this helped to avoid a system where decision making was entirely subjective.
- 6.8 Many participants pointed out the **traumatic impacts of the Priority Need test** on homeless people and front-line staff as a key weakness. Another perceived weakness was the **focus on process and determining entitlements**, rather than the needs of the individual. The process was perceived to be very **resource intensive**, particularly in relation to proving vulnerability. Again, this was a concern that was identified prior to legislative changes in Scotland (see Chapter 5).
- 6.9 Whilst views on the **outcomes for Priority Need households** were mixed, there was general agreement that outcomes were **better than those of non Priority**

**Need** households, with outcomes often ending positively in a secure RSL tenancy. However, some participants felt that **housing outcomes could be unsustainable** and there was reportedly a reliance on **unsuitable interim and temporary accommodation**, often used for long periods of time.

- 6.10 Whilst some participants supported the **retention of a local connection test**, the majority of participants were **critical of current practice** and some advocated removing the test from legislation. Concerns about local connection policies related to **gatekeeping**, whereby households were sent away before any meaningful assistance was provided and **through other means**, such as housing allocation policies, prevention funds and bond schemes. In response, some participants argued for policies that allowed for and **supported greater movement between local authorities**. A few participants also commented on specific challenges relating to **reconnection policies** and the **temporary placement of people out of area**.
- 6.11 Relatively few comments were made about the **intentionality test**, which perhaps reflects the observation by some participants that the test was **hardly used**. **Albeit**, two participants did describe the test as a useful tool that was **used as a threat** to encourage engagement with services. One participant proposed **removing the intentionality test** because it contradicts a trauma informed approach.

#### **Option 2: Temporary accommodation duty for all homeless households**

- 6.12 During one of the workshops with people who have experienced homelessness it was proposed that *'the allocation of temporary accommodation priority'* (Live experience of homelessness workshop, May 2019). This proposal was echoed by a few other participants in stakeholder workshops but it was not discussed widely. This is also a proposal that was previously identified in the literature (see Chapter 2) and to some extent reflects the starting point for change in Scotland, whereby the duty to provide temporary accommodation was extended to all homeless households well before the Priority Need test was abolished (see Chapter 5). Advocates of this proposed revision in Wales were not in agreement over the **duration of the duty** to provide temporary accommodation – proposals included 30 days, 56 days, and an indefinite time period.

6.13 It was argued by participants that extending a temporary accommodation duty to all households, irrespective of any Priority Need, was necessary in order to **avoid the highly detrimental impacts of sleeping rough** or sofa surfing. One participant stated;

*‘ Where would people go if they didn't have accommodation, that's the first question? So if the alternative is sleeping rough or sofa-surfing or, you know, engaging in sex to rent, any of those things which have a lasting and hugely detrimental impact on people's life expectancy, health and well-being, then there should be a right to*  
(South Wales stakeholder workshop, June 2019)

6.14 Following on from concerns about the quality of temporary accommodation discussed in Chapter 4, one participant suggested any amended temporary accommodation duty, or *‘safe place to stay’* duty, would need to be accompanied by **suitability standards** including a robust definition of ‘safe’.

6.15 Introducing a duty to provide temporary accommodation to all households, without a duty to provide settled accommodation, or without a time limit to the duty, raised concerns for one participant about the potential detrimental and costly impacts of having **many households living in temporary accommodation** for long periods of time;

*‘There might be a temptation for us to kind of let people just stay in temporary accommodation. And we can already see people staying in temporary accommodation for longer periods of time anyway and if there is an issue in supply potentially leaving people to essentially rot in a temporary accommodation that may not be suitable for the rest of their life, you know, it becomes a bit of a concern, well, a massive concern.’* (South Wales stakeholder workshop, June 2019)

6.16 Notably, one participant referred to experiences in Scotland, where the duty to provide temporary accommodation to all households **resulted in many people spending long periods in unsuitable accommodation**. Yet, participants in Scotland perceived this as part of the incremental shift towards abolishing the Priority Need test (see Chapter 5). Moreover, the current shift in Scotland towards



rapid rehousing is intended to **limit the time spent in temporary accommodation** and one participant recommended this should be considered in any amendments to Welsh legislation.

### **Option 3: Amend Priority Need**

6.17 Participants were asked to consider whether Priority Need groups should be amended, and if so, which groups should be removed, added or altered. In most instances, participants were in favour of adding groups – only in a few cases was there support for removal of a group or a comment that a particular group should not be added. At least 22 additional groups were proposed, mostly by a single research participant;

- Anyone facing exploitation
- Divorcees without access to their home
- Financial vulnerability (e.g. affected by Universal Credit)
- Hate crime victims
- Hospital discharge
- Illegal eviction victims
- Key workers
- Long duration of homelessness
- Multi-agency public protection arrangement (MAPPA) cases
- Mental health (lower threshold)
- Multiple Adverse Childhood Experiences
- Multiple homeless experiences
- No Recourse to Public Funds
- Parents with access to their child but not the main carer
- People with substance misuse support needs
- People facing dual diagnosis
- Prison leavers
- Refugees
- Rough sleepers
- Single men

- Violence and abuse (not only domestic abuse in order to be consistent with the Violence Against Women, Domestic Abuse and Sexual Violence (Wales) Act 2015)
- Young people aged under 35

- 6.18 Several of these groups were identified by 3-4 participants: anyone facing exploitation, parents with access to a child but not the main carer, refugees, and people facing violence and abuse. These are briefly discussed, before a more detailed discussion of the proposed amendments relating to the three groups that received more significant support from participants; rough sleepers, young people aged under 35, and prison leavers.
- 6.19 Currently, 18-21 year olds at particular risk of sexual or financial exploitation are considered to be in Priority Need. The first issue raised by participants with the current framing of this group was the use of an '*arbitrary*' age banding. One participant felt that a person of any age would be vulnerable as a result of sexual or financial exploitation and the age banding should be removed. The second issue identified by participants was that the Priority Need group is restricted to sexual and financial forms of exploitation, whereas other forms of exploitation might be equally harmful. Hence, taking these views into account an amended Priority Need group might be '**anyone facing exploitation**'.
- 6.20 Currently, a parent would only be considered to be in Priority Need if the child resides with them. Yet, some **parents who are not the main carer will have access to their child**. One participant described how the exclusion of this group not only impacts adversely on the parent but also on the child - and the relationship between childhood adversity and later homelessness is well proven. Interestingly, this is one of the groups which some local authorities extended Priority Need to fairly early in the process of phasing out the Priority Need test in Scotland (see Chapter 5). Yet, participants in Wales identified significant barriers to extending Priority Need to this group, particularly welfare benefit restrictions that would currently only cover the cost of single person, potentially shared, accommodation.
- 6.21 **Refugees** were identified as a potential additional Priority Need group by two participants and during two separate stakeholder workshops. Concerns were raised

that refugees are potentially vulnerable due to limited time spent in the country, language issues, employment challenges, and past traumas. The proposal from participants was that refugees should not have to prove vulnerability, instead they should be afforded Priority Need status. The counter concern was that this might lead to homelessness services being used as a route to discharge refugees from National Asylum Support Service (NASS) accommodation.

6.22 Someone who is homeless as a result of domestic abuse would currently be in Priority Need. However, participants identified a key inconsistency with the Violence Against Women, Domestic Abuse and Sexual Violence (Wales) Act 2015. To be consistent, it was argued that the Priority Need definition would need to include all forms of violence against women, including sexual abuse. Yet, the current Priority Need test relating to domestic abuse is gender neutral. Therefore, in order to account for the broader definition contained within the Violence Against Women, Domestic Abuse and Sexual Violence (Wales) Act 2015 and the gender neutral definition of domestic abuse in the current Priority Need test (i.e. the best of both definitions), a potential revised Priority Need group might be '**anyone facing violence and abuse**'.

6.23 The majority of participants supported the **inclusion of rough sleepers** as an additional Priority Need group. They justified this on the basis that rough sleeping does great harm to a person's health, well-being and dignity. This proposal mirrors suggestions in previous studies (see Chapter 2). However, some participants, particularly from amongst local authorities, caveated this recommendation with the suggestion that only '*verified*' rough sleepers should be included:

*They'd have to be validated then, if that's the right word, because we do get people turning up, as I'm sure all authorities do; 'I slept rough last night,' and they're perfectly dressed. They've showered, with a fully charged phone. We know they haven't because you get to know who's homeless and who's not. Lots of people can take advantage of that change then, so we'd probably need to involve local outreach services because we haven't got a rough sleeper team in [name of the local authority removed] which I know some other authorities have got, so that's one. (Local authority interviewee, June 2019)*

- 6.24 Relatedly, some participants were concerned that extending Priority Need to rough sleepers might create a moral hazard, encouraging people to sleep rough in order to access housing – a concern that was similarly raised prior to the abolition of Priority Need in Scotland (see Chapter 5).
- ‘ You are going to end up with people just sleeping in doorways just for the sheer hell of getting into accommodation. There could be a huge social impact from that. (Local authority interviewee, May 2019)*
- 6.25 Yet, other research participants in Wales pointed out that the relief stage of the HWA 2014 would initially only entitle households to interim accommodation and reasonable efforts to find somewhere suitable likely to be available for six months (i.e. equivalent to PRS accommodation that would be available within the open market) and therefore it is unlikely to present a moral hazard, and certainly less so than in Scotland where most homeless households are housed in the social rented sector.
- 6.26 Currently, 16-17 year olds are in Priority Need, along with 18-21 year olds who are care leavers or at particular risk of sexual or financial exploitation. The majority of participants were in support of extending these categories to include **all young people aged under 35**. The primary concern for these young people amongst participants was their precarity within the labour and housing markets. Importantly, participants tended to define young people as aged up to 35 years, rather than the more typical age limits of 25 or 26, because under 35s are restricted to housing benefit that only covers the cost of a room in shared accommodation (Shared Room Rate). The availability of such accommodation was reported to be a major challenge across Wales (discussed also in Chapter 7). Significantly, this definition of young people proposed by participants contrasts with earlier work in Wales which identified young people as a potential additional Priority Need group but defined young people as up to the age of 25 (See Chapter 2).
- 6.27 According to participants, the extension of this group to include a wider age range would also address, to some extent, a current inconsistency between the homelessness legislation and the Social Services and Well-being (Wales) Act 2014. Participants explained that the duty to young people who have been in care applies

up to age 25 and yet duties under homelessness legislation currently end at age 21. Notably, some participants suggested that even if Priority Need cannot be extended to all under 35s, it should be brought in line with Social Services legislation at a minimum. In contrast, there were also some participants who explained, rather than advocated, that care leavers might be removed as a Priority Need group because they are already protected under Social Services legislation and their removal from the homelessness legislation would reduce any confusion as to which department within a local authority might take responsibility.

- 6.28 The position of prison leavers within the Welsh homelessness legislation is unique. Prior to the HWA 2014, prison leavers were considered to be in Priority Need but the legislation now requires the person to be vulnerable as a result of being an ex-prisoner. The removal of prison leavers as a Priority Need group was perceived by many to be problematic and to have caused worsening outcomes, including a rise in rough sleeping. These findings echo those of other recent studies which considered the experiences of homeless prison leavers in Wales (see Chapter 2). One participant in this study stated;

*' Priority need was removed from people I e we have seen an absolute massive increase in the number of people having left prison who are now rough sleeping and in dire circumstances. So I think we've seen stark reality of without having it some of the most vulnerable people who may not come into some of the more popular groups to be rehoused have been left very, very vulnerable.'* (Third sector interviewee, May 2019)

- 6.29 The majority of participants were in favour of **reintroducing prison leavers** as a Priority Need group, whilst also seeking to ensure that the National Pathway for Homelessness Services to Children, Young People and Adults in the Secure Estate is implemented more effectively. It was argued that prison leavers face particular challenges in accessing labour and housing markets and so they require accommodation and support. Moreover, participants argued that without accommodation, prison leavers are more likely to reoffend, impacting negatively on both their own life chances and society.

*'I think I would also very much call for people leaving Criminal Justice System to be re-entered into Priority Need because we have seen an absolute spike in people being homeless and living on the streets coming out of prison. And that's because their vulnerability makes them far more difficult to house. (Third sector interviewee, May 2019)*

6.30 Despite evidence on the detrimental impacts of conditionality (Watts and Fitzpatrick, 2018), some participants proposed that Priority Need status should be conditional on prison leaver engagement with rehabilitative services in prison.

6.31 Whilst there was support for the inclusion of prison leavers as a Priority Need group, they were also the only group that participants advocated not to be included. Concern over the potential re-inclusion of prison leavers mostly originated from local authority participants who recounted past experiences. They felt priority status did not previously reduce recidivism and it disincentivised people to engage with homelessness teams because they were guaranteed temporary accommodation on release. Moreover, some participants believed that a change would negatively affect the current engagement of probation with housing and homelessness services.

*'I don't particularly react to moving back towards offenders being classed as priority would be particularly useful, because I think there has been a change in the dynamics and culture within probation services and how they have engaged with us. There has been a more open dialogue with them, whereas before it was very closed in terms of responsibility. I think that would undo a lot of the positive work that has gone on over the last four years, because we are starting to see a change in behaviour with one or two probation officers, and a greater understanding of what we can do and why.'*  
(Local authority interviewee, May 2019)

#### **Option 4: Abolish Priority Need**

6.32 Many participants from across different sectors were **in favour of abolishing the Priority Need test**, however most argued that this would only be desirable and possible **if accompanied by additional housing investment and resources for housing options teams**. This very closely mirrors the viewpoint that prevailed in Scotland prior to the abolition of the Priority Need test, although the findings in this

study suggest that in Wales there is wider support behind the principle of abolishing the Priority Need test amongst local authorities than there was in Scotland (see Chapter 5). This section of the report explores perspectives on the potential approach to abolition, and the perceived positive and negative impacts that might emerge. Consideration is also briefly given to projected impacts on the number of households requiring assistance if Priority Need were to be abolished.

*The potential approach to abolition*

6.33 The research explored three key questions relating to a potential process of abolishing Priority Need. First, should the test be abolished abruptly or phased out? Second, if the test is to be phased out, what is the desirable timeframe? Third, should the approach to abolition be at the discretion of the local authority or determined by Welsh Government?

6.34 In response to the first question, **the majority of participants were in favour of a phased approach**, rather than an abrupt approach, to abolition. Reflecting on experience of legislative change during the development and implementation of the HWA 2014, some participants suggested that there should again be a **lead in time**, to allow local authorities and their partners to develop and commission housing services and to begin to work in the spirit of the law before any formal legislative changes are enacted. In the North Wales workshop there was also very strong support for **a pilot** of any changes, particularly in relation to understanding impacts on temporary accommodation usage.

*'There would need to be a lead-in time to develop those services, commission the right services, work with homelessness colleagues to look at what's needed, you know, so a period of transition to get rid of Priority Need.'* (South Wales stakeholder workshop, May 2019)

6.35 A phased approach was generally perceived to be necessary because it would allow local authorities to ensure **services are incrementally put in place** to meet new demands of specific groups, rather than attempting to predict the entirety of new demand from the outset. Participants pointed out that a phased approach would need to be accompanied by **effective monitoring of changes** in demand for services and housing.

*'You need all your ducks lined up in a row before you take... the first trying to predict what the impact's going to be so you can put some resources in at the front end but acknowledge that will be imperfect and learn as you go.'*

(South Wales stakeholder workshop, June 2019)

- 6.36 Participants had **few opinions on whether a phased approach should introduce different population subgroups** over time (e.g. rough sleepers, prison leavers etc) **or extend Priority Need to different age groups** over time (e. begin with under 35s, then under 45s etc). The perceived benefit of extending to population subgroups was that services could be aligned to those groups (e.g. more intensive support services might be needed for rough sleepers), whilst extending Priority Need by age category would more clearly remove any ambiguity and inconsistency. Chapter 5 documented how local authorities across Scotland adopted different combinations of these approaches – with no clear message emerging about a preferred approach.
- 6.37 The second question considers the desirable timeframe if the Priority Need test were to be abolished. Participants were united in their view that if abolition takes place, it should do so **within 10 years**. Few participants suggested a period of abolition that was less than a year or greater than 10 years. There seemed to be a fairly **equal split** in favour of **10 year**, **5 year**, and **less than 5 year** (but greater than 1 year) timeframes, and some support for periods in-between these figures (e.g. 7.5 years). Notably, some participants also suggested a phased abolition should be aligned with the implementation of the affordable housing review recommendations.
- 6.38 Participants in favour of a 10 year time frame justified their views on the basis that this would be the time **required to deliver the additional housing supply**, whereas those in favour of shorter implementation periods were generally of the view that housing and services **could be delivered more speedily** and the greater sense of urgency might be more effective in driving changes. Some participants reflected on the findings from the Scottish experience, whereby the relatively long 10 year timeframe resulted in high numbers of households spending long periods in temporary accommodation. Yet in Scotland it proved important to phase out the



Priority Need test over a 10 year period, despite a perception that it could have been achieved sooner, mostly to ensure local authority buy-in (see Chapter 5) - a challenge that has emerged as less prevalent in Wales during this research.

*'Yes, I know Scotland looked at a ten-year period. For me, sometimes I think if something is too far away, have you got that sharpness of focus to actually make the change that you need?'* (Local authority interviewee, May 2019)

- 6.39 In response to the third question, the majority of participants were in support of a **nationally driven process of abolishing the Priority Need test**. Only a few respondents supported the approach taken in Scotland, whereby local authorities had autonomy to decide which groups to extend Priority Need to as they worked towards abolition of the Priority Need test. One participant suggested a compromised approach, whereby Welsh Government would stipulate the minimum expectations of any extended Priority Need groups, and local authorities would have the power to extend the list further as they work towards eventual abolition of Priority Need.

*'I think that certainly the minimum category needs to be set under law, because at the end of the day it is a legal duty, and I think it is important that people have the legal right to this assistance. But I think it should come along with encouragement, particularly for certain categories, encouragement that possibly could come along with resourcing, for local authorities to then go above and beyond and sort of set their own. Because there, as we have heard from local authorities before, many of them already go above and beyond some of the Priority Needs categories routinely anyway. I think there should be understanding that this is very much a legal minimum level of service, not the target.* (Umbrella body representative interviewee, May 2019)

#### *Potential positive impacts of abolition*

- 6.40 Three main positive potential impacts of the abolition of the Priority Need test were identified by participants. First, **all individuals would be owed a duty** by local authorities to secure accommodation. Participants described how this would potentially **negate current confusion and inconsistencies** within and between local authorities in determining who is owed accommodation. It would also

potentially avoid the problematic dynamic within the current legislation that **incentivises people to become more vulnerable** in order to be considered in Priority Need.

- 6.41 Second, participants believed services would be more **focused on identifying the needs of individuals and finding solutions**.

*'I think it would be probably easier as well for housing options officers to focus on the person rather than the label and trying to fit people into categories, so it's about you're going to create a personal housing plan. It's around actually what needs to be done without having to make hundreds of enquiries into medical condition. (RSL interviewee, May 2019)*

- 6.42 Relatedly, the third perceived positive impact was a significant **reduction in resources spent assessing** Priority Need and addressing the associated administrative burdens, including legal challenges. One participant commented that a shift towards a solution focused system, that does not exclude individuals, would also lead to happier staff.

*'Because case workers get so hung up on evidence and Priority Need and you just think there's all that time you'd be exploring people's options with them and house by now.'* (Umbrella body representative interviewee, May 2019)

- 6.43 In addition to the main perceived impacts, some participants suggested that abolishing Priority Need would **drive other positive actions**. Examples given were; local authorities might be driven to make more housing available, to innovate in services, and particularly to enhance prevention efforts – not least to avoid the implications of failing to prevent (i.e. local authorities would then be required to secure accommodation)

*'Generally innovation is driven at local authority level by c the moment, some of our r o (logahautsolities) any r s a r money (because we ' r e not obliged to a (South Wales a c c o m stakeholder workshop, May 2019)*

*Potential negative impacts of abolition*

- 6.44 Participants stressed that any impacts of abolishing Priority Need would probably not be evenly distributed across Welsh local authorities and so they suggested impacts should be carefully **considered at the local authority level**; *' t h e r e a r e p r o b a b l y a s p e c t r u m o f a u t h o r i t i e s f o r w h i c h t a k i n g a w a y P r i o r i t y N e e d , f o r e x a m p l e , w o u l d b e a m a s s i v e c h a n g e , a n d o t h e r s w h e r e i t w o u l d n ' t b e t h a t s i g n i f i c a n t '* (RSL interviewee, May 2019).
- 6.45 The first potential negative impact identified by participants was an **increase in the number of people temporarily accommodated for long periods of time** in potentially **unsuitable and expensive accommodation** such as B&Bs. Participants explained that accommodating more single people would be problematic due to the lack of suitable one bedroom and shared accommodation, therefore exits from temporary accommodation would be slow. Many participants situated their concerns in the context of experiences in Scotland where temporary accommodation use increased markedly following the abolition of Priority Need:
- ' W h a t ' s h a p p e n e d u n d e r t h e r e m o v a l o f t h e P r i o r i t y N e e d t h e r e a n d t h e s h e e r v o l u m e o f p e o p l e i n t e m p o r a r y a c c o m m o d a t i o n i s s o m e t h i n g t h a t w e w o u l d n ' t b e a b l e t o c o p e w i t h . W e h a v e n o t e n o u g h t e m p o r a r y a c c o m m o d a t i o n a s i t s t a n d s a t t h e m o m e n t i n W a l e s . '* (RSL interviewee, May 2019)
- 6.46 A further perceived negative impact was the possible **disengagement of some households** from the system due to long waits in inappropriate temporary accommodation. Participants made reference to past experiences with prison leavers, who often had unsatisfactory outcomes despite their Priority Need status prior to the HWA 2014;
- ' W e w i l l j u s t p r o c e s s , l i k e w e d i d w i t h o f f e n d e r s , t h e y j u s t c a m e t h r o u g h t h e s y s t e m a n d w e g o t s o s w a m p e d w e g o t l o s t i n t h e p r o c e s s a n d k i n d o f g a v e u p a l i t t l e b i t . '* (South Wales stakeholder workshop, May 2019)
- 6.47 Inevitably, another perceived impact was the potential increased **demand on local housing markets and local authority resources**, particularly within Housing

Options teams. This particular issue is discussed in more detail in Chapter 7, as participants perceived it to be one of the most significant barriers to legislative change.

- 6.48 A very frequently cited potential impact was that abolishing Priority Need **may drive 'gaming' the system**. Participants explained that this gaming already exists within the current system but they believed it was likely to extend to households not previously considered to be in Priority Need. Two forms of gaming were raised as areas of concern. First, households may '*become homeless*' in order to access housing. Examples of this form of gaming focused on young people being asked to leave by parents. The second form of gaming is where households are perceived to '*hold out for something better, rather than engaging meaningfully in housing plans or accepting accommodation and support offered through prevention and relief efforts*'. It is important to report that whilst these are participant concerns, the legislation currently allows for local authorities to discharge their duties following an offer of suitable accommodation.

*'But I guess what we're saying is if everybody is in Priority Need then there will be some households who won't stay with family and friends, who won't take the offer of private rented accommodation because they'll be holding out for something else.'* (South Wales stakeholder workshop, May 2019)

- 6.49 Across all stakeholder types, there was a belief that if Priority Need is abolished, **other forms and mechanisms of exclusion and prioritisation may emerge**. Participants explained that more households could be judged as failing to co-operate and intentionality decisions could rise. Reportedly, informal mechanisms of exclusion may also emerge, such as offering accommodation in unsuitable locations so the household will either refuse the offer, or the tenancy will fail. Participants also suggested it is possible that these practices of exclusion may be inconsistently applied and local authorities may develop alternative forms of prioritisation in the absence of the Priority Need test, whereby '**undesirable households, such as prison leavers, face greater exclusion**' than other household types.

*'Yes, well, only because, cynically I guess, if Priority Need is being phased out, then those local authorities who tend towards the gatekeeping approach will*

*simply find something else to gatekeep. I'm afraid that's what we've seen before.* '  
(Third sector interviewee, May 2019)

6.50 A range of participants, but particularly those representing specific subgroups of the population, identified the possibility that abolishing Priority Need might significantly **dilute support, outcomes and the priority currently afforded to the most vulnerable**, including young people and people facing domestic abuse. As one participant stated; *'if you don't have a Priority Need and services will dilute and those most vulnerable won't need level of help that* (Local authority interviewee, May 2019) *get now'*

6.51 Another perceived negative impact is on **homelessness prevention efforts**. Despite contradictory views that abolishing Priority Need may drive prevention efforts, participants felt there was the potential that the legal duty to secure accommodation may disincentivise people from seeking help earlier or from engaging meaningfully in prevention support;

*'I think the largest risk from increasing the number of Priority Need categories is that people presenting as homeless might be less likely to present under the prevention duty, because they may think, 'Well, I know there is a legal duty to house me anyway.' So I think the biggest risk, to particularly abolishing Priority Need, is that you might detract from the whole point of the prevention duty. Not to say that that necessarily would need any amendment, say to the legislation, but it is certainly a risk. I imagine that work under the prevention duty is much better for the individual, and also significantly cheaper for the council and for the welfare system.* (Umbrella body representative interviewee, May 2019)

6.52 Finally, participants expressed a view that it is possible abolishing Priority Need may **detrimentally impact on the engagement of allied services** such as health, criminal justice and social care because they may devolve responsibility to housing. Many participants pointed to challenges within the current homelessness system where health and social care services pass responsibility to housing and then fail to effectively engage in supporting homeless households. Yet, there were fears that this may worsen if Priority Need is abolished. In particular, participants described the challenges with prisons and probation, citing previous problematic experiences

when prison leavers were a Priority Need group and the improved collaboration post-HWA 2014 when Priority Need status was removed.

*'So we are now having healthier discussions with health, social services, police, probation, than we have ever had before, and I think that is down to some of the changes that are being brought in. So there is a danger that by changing Priority Need you can then unpick all the positives that have gone on. (Local authority interviewee, May 2019)*

#### *Impacts on the number of households assisted*

- 6.53 This sub-section reflects on participant views regarding the number of additional households that would need to be accommodated if Priority Need were to be abolished. More detailed impact modelling is set out in Chapter 8. The clear conclusion was that the total number of households is likely to be **greater than the number of households currently recorded as non Priority Need** in Official Statistics.
- 6.54 The primary source of the likely increase in homeless households is perceived to be **those who currently fail to present** because they are either misinformed about their entitlements to assistance or they believe they will get no meaningful help.
- 6.55 Views expressed by participants were then **highly contradictory**. Despite the previously discussed beliefs that abolishing Priority Need is likely to increase gatekeeping and decisions such as non-cooperation and intentionality, others were of the view that households who currently face such decisions, may instead continue to engage until the final Section 75 duty and will therefore require accommodation.
- 6.56 Interestingly, a few participants argued the **additional households may be minimal** as most households are already helped meaningfully, although there was recognition that this varies across local authorities;

*' Personally from our local authority I think we do not think it will have a big impact on our authority but obviously I think some authorities yes it could have some impact on their budgets sourcing the obviou  
accommod (Local authority interviewee, May 2019)*

### **Additional options for Priority Need in Wales**

6.57 Participants were given the opportunity to identify and discuss any possible futures for the Priority Need test. In addition to the four core options discussed in this chapter (and identified in previous studies – see Chapter 2), **two alternative options** were suggested but these received limited support. However, it is important to recognise and report these.

6.58 First, some participants proposed **extending the duration of the Section 73 duty beyond 56 days**. Reportedly, this would enable local authorities to continue working with households. However, there was a strong rebuttal of this proposal, with one participant arguing;

*I don't see the logic of extending the part of the legislation which has got by far the lowest success rates. How is that going to make it more likely that we'll be able to relieve homelessness, when there's accommodation duty during that time? We're asking people to remain homeless for 56 days as it is. Are we thinking that that's going to somehow help us to relieve more homelessness, by making people stay homeless for even longer than 56 days? I don't see the logic of it.'* (South Wales stakeholder workshop, June 2019)

6.59 Second, one participant proposed introducing **Priority Need earlier in the legislation**, not to determine if households get accommodation, instead it would act as a tool to identify particularly vulnerable households who need additional support. The test would then require local authorities to engage with and mobilise other agencies to help support the individual. To some extent this might be seen as a duty to identify support needs and make links with wider support services, albeit only for households in Priority Need. Many of the principles within this idea are also discussed in Chapter 7, which identifies current support services and engagement with other allied sectors as key barriers to amending or abolishing Priority Need.

*W/also talked about Priority Need potentially being teleported over to an earlier stage of the Housing Act and it being used as a sort of mobilising agent really to get other agencies involved. So, rather than Priority Need being something negative where you would say, you know, you do get help or you don't, instead*

*anyone who is within a much broader range of Priority Need categories you then look at that and say these individuals might need more support in terms of prevention than we currently give a general needs application so it reframes Priority Need as positive in terms of enabling more rapid intervention with health, mental health services, substance misuse, maybe better integration with the justice system, domestic abuse (South Wales stakeholder workshop, June 2019)*

### Chapter summary

- 6.60 The research identified **four main potential future options** for the Priority Need test in Wales; **retain the status quo** (Option 1), a **temporary accommodation duty** for all households (Option 2), an **amendment to Priority Need** groups (Option 3), and the **abolition of Priority Need** (Option 4). In addition to the four main options, two alternatives were suggested by individual participants but these received limited support and were discussed in very little detail.
- 6.61 The overarching message from the majority of participants was that the status quo is unjust because some homeless people are turned away with no solution and **'in an ideal world' the test would be abolished** by participants in this study favoured **phasing out the test over a period of 5-10 years**. However, most participants argued that this would only be desirable and possible if accompanied by additional housing investment and resources for housing options teams.
- 6.62 In the absence of such investment, participants believed that some form of rationing and prioritisation is required and the Priority Need test is perceived by the majority to **target and provide a safety net for many vulnerable groups** (e.g. 16-17 year olds, families with dependent children, people facing domestic abuse). Yet perceived weaknesses of the current Priority Need test mean that most participants would like to see at least some form of amendment if the test remains, for example an extension of the Priority Need groups to include three groups in particular; rough sleepers, young people aged under 35, and prison leavers.
- 6.63 A few research participants argued that the minimum amendment to the legislation should be a **duty to provide temporary accommodation** to all households,



irrespective of their Priority Need status, in order to avoid the highly detrimental impacts of sleeping rough or sofa surfing.

- 6.64 More specific conclusions in relation to each of the potential future options are identified below, with the exception of conclusions relating to *Option 1 (Retain the status quo)* – these have already been presented in detail and summarised in Chapter 4 ‘Perspectives on Priority Need in Wales today’.

*Option 2: Temporary accommodation duty for all homeless households*

- 6.65 This potential future option was identified during a workshop with people who had experienced homelessness. This is also a proposal that was previously identified in the literature and to some extent reflects the starting point for change in Scotland, whereby the duty to provide temporary accommodation was extended to all homeless households well before the Priority Need test was abolished. There was no agreement amongst participants in Wales on the **duration of the duty** – proposals included 30 days, 56 days, and an indefinite time period.
- 6.66 **Key perspectives on this option** included: it would avoid the detrimental impacts of sleeping rough; it would need to be accompanied by more comprehensive suitability standards for temporary accommodation; one participant was concerned that in the absence of a duty to provide settled accommodation, or without a time limit to the duty, it could be detrimental and costly to have many households living in temporary accommodation.

*Option 3: Amend Priority Need*

- 6.67 An **extensive list of at least 22 additional groups** were proposed, mostly by a single participant. Three groups were far more widely supported; rough sleepers, young people aged under 35, and prison leavers.
- 6.68 There was considerable support for the inclusion of **rough sleepers** on the basis that rough sleeping does great harm to a person’s health, well-being and dignity. However, there was concern that extending Priority Need to rough sleepers would create a moral hazard – a concern that was similarly raised prior to the abolition of Priority Need in Scotland. Yet, other research participants in Wales pointed out that

the legislation in Wales only entitles a household to accommodation likely to be available for six months – so the moral hazard is limited.

- 6.69 According to research participants, the primary concern relating to **young people under the age of 35** is their precarity within the labour and housing markets, particularly in relation to social welfare entitlements. Participants explained that raising the age of young people in Priority Need would also address a current inconsistency between the homelessness legislation and the Social Services and Well-being (Wales) Act 2014.
- 6.70 The majority of participants were in favour of reintroducing **prison leavers** as a Priority Need group, whilst also seeking to ensure that the National Pathway for Homelessness Services to Children, Young People and Adults in the Secure Estate is implemented more effectively. Some participants also proposed that Priority Need status for this particular group should be conditional on effective engagement in prison, although it is unclear why prison leavers should be subject to enhanced conditionality above other households. This was also the only group that some participants advocated not to be included.
- 6.71 Finally, the following groups were identified by 3-4 research participants as potential additional Priority Need groups; anyone facing exploitation, parents with access to a child but not the main carer, refugees, and people facing violence and abuse.

*Option 4: Abolish Priority Need*

- 6.72 The fourth future option is the **abolition of the Priority Need test**. Many participants from across different sectors were in favour of abolishing the Priority Need test, however most argued that this would only be desirable and possible if accompanied by additional housing investment and resources for housing options teams. This very closely mirrors the viewpoint that prevailed in Scotland prior to the abolition of the Priority Need test, although it seems that in Wales there is wider support behind the principle of abolishing the Priority Need test amongst local authorities than there was in Scotland.
- 6.73 **The majority of participants were in favour of a phased approach**, rather than an abrupt approach, to abolition. Participants suggested a phased approach might:

include a lead in time, allowing local authorities and their partners to develop and commission services and to begin to work in the spirit of the law; and it might potentially include a pilot of the changes. There were few concrete opinions on whether to introduce different population subgroups over time or extend Priority Need to different age groups.

- 6.74 In relation to the **time period** of a phased abolition, few participants suggested a period of abolition that was less than a year or greater than 10 years. There seemed to be a fairly equal split in favour of 10 year, 5 year, and less than 5 year (but greater than 1 year) timeframes.
- 6.75 There was broad support for a **nationally driven process** of abolition, rather than an approach whereby local authorities have autonomy to decide which groups to extend Priority Need to. Only a few respondents supported the approach taken in Scotland, whereby local authorities had autonomy to decide which groups to extend Priority Need to as they worked towards abolition of the Priority Need test. One participant suggested a **compromised approach**, whereby Welsh Government would stipulate minimum expectations and local authorities would have the power to extend the list as they work towards eventual abolition of Priority Need.
- 6.76 Three main **potential positive impacts** of the abolition of the Priority Need test were identified by participants: all individuals would be owed a duty by local authorities to secure accommodation; services would be more focused on identifying the needs of individuals and finding solutions; and there would be a significant reduction in resources spent assessing and challenging Priority Need decisions. Additionally, it might drive other positive actions: local authorities might make more housing available, innovate in services, and enhance prevention efforts.
- 6.77 Very many **potential negative impacts** of abolishing Priority Need were identified: an increase in people temporarily accommodated for long periods of time in potentially unsuitable and expensive accommodation; disengagement of some households from the system due to long waits; increased demand on local housing markets and local authority resources, particularly Housing Options teams; it may drive 'gaming' within the system; other forms and mechanisms of exclusion and prioritisation may emerge; support for vulnerable households currently in Priority

Need may be diluted; households may be disincentivised from seeking help earlier or from engaging meaningfully in prevention support; and it may detrimentally impact on the engagement of allied services such as health, criminal justice and social care because responsibility is devolved to housing.

- 6.78 In order to inform impact modelling, participants were also asked to comment on the likely **impacts on the number of households** who would be owed a final duty under the homelessness legislation. The clear conclusion is that the total number will be greater than the number of households currently recorded as non Priority Need in Official Statistics.

*Additional options for Priority Need in Wales*

- 6.79 It is important to note that participants were given the chance to identify additional options for Priority Need in Wales. The most notable alternative suggestion, albeit it received very limited support, was to extend the duration of the Section 73 duty beyond 56 days, allowing local authorities to continue working with non Priority Need households for longer.
- 6.80 Having defined the main potential future options for the Priority Need test, the following chapter considers the key barriers and enablers to effective implementation of any changes.

## 7. Implementing change: the barriers and enablers

7.1 This chapter explores the perceived barriers and enablers to effective implementation of any changes to the Priority Need test highlighted by participants. Importantly, many of the issues identified in this chapter often exist in relation to the current system (e.g. lack of suitable housing supply) – however, amending Priority Need in any of the ways proposed (Chapter 6) would exacerbate most of these issues.

7.2 Participants offered a wide range of views and these have been organised under the following themes:

- Buy-in and leadership
- Resources
- Housing
- Social welfare
- Homelessness services
- The workforce
- Homelessness prevention
- Collaboration
- Public perception and the media
- Legislation, monitoring and scrutiny

### **Buy-in and leadership**

7.3 A clear message emerged from research participants that effective implementation of potential legislative changes, and current legislation, requires improved buy-in and leadership at national and local government levels. Notably, the experience of abolishing Priority Need in Scotland highlighted the importance of strong national leadership in driving forward the changes (see Chapter 5). More specifically in Wales, some participants commented on the need for a clear statement at **Welsh Government level** on the values imbued within the homelessness legislation – perhaps within a new homelessness strategy or plan and for the Housing Minister to hold colleagues in other portfolios to account (e.g. health), and to drive both cross-

departmental working and connect up different actions within the housing portfolio (e.g. affordable housing review and homelessness legislation).

*'Welsh Government leadership in terms of setting the pace on this, but also combining what's gone on with Priority Need with all the other sort of policy initiatives that are going on, not least the housing supply situation, so the Welsh Government are playing it's part in terms of pulling it all together, if you like, writing the conditions to help all local authorities to do this.'* (South Wales stakeholder workshop, June 2019)

- 7.4 At a **local authority level** there was concern amongst participants that leadership on the implementation of homelessness policy and law is inconsistent across Wales. Participants stated that some local authority leaders *'drive staff to do all they can to help'* people, whereas others focus on reducing *'expectations'*. There was a desire amongst participants for local leadership to be universally supportive of the intentions and values of the legislation.

*'I think it does appear to us that, in some areas, there will be a need for a significant cultural change in the way that services see themselves and what their purpose is in terms of working with people facing or experiencing homelessness. I think that's really important and that's a part of training and development and certainly local leadership. After the last legislation, we hoped we would see a significant change and there has been change in some areas. Well, in some areas, it seems like the attitudes haven't changed since the 1977 Homeless Person's Act, quite frankly! Let alone any subsequent legislation, so that's going to be really important, and how do you get culture change? That's the big question but I think it is a lot about leadership and maybe it means changes in personnel as well, so that once you decided on what that culture needs to be.'* (Third sector interviewee, May 2019)

## **Resources**

- 7.5 Resource issues were at the forefront of participant's concerns relating to the effective implementation of both the current legislation and any potential future changes to Priority Need. At the extreme end of views, some local authority participants echoed concerns that also emerged prior to the abolition of Priority

Need in Scotland, describing a potential scenario, whereby the abolition of Priority Need would **entirely over-burden services and communities**;

*'Looking from Housing Option's perspective, if the Priority Need was removed, we just wouldn't be able to sustain what comes through the door. We haven't got the temporary accommodation, we haven't got the budget, we haven't got the resources ... the schools, for example, people coming here, homelessness, how would the schools cope? The GPs. It's all about the wider community, I think if we remove Priority Need and we picked everybody up, I couldn't see it working, I think we would be - we're at saturation point now in some areas. (Local authority interviewee, May 2019)*

- 7.6 Other participants, mostly from within local authorities, set out more focused concerns about staffing levels and resources within **Housing Options teams and housing related support teams**. There was consensus amongst participants that further resources would be required to enable any amendment to Priority Need, whilst also recognising that services are currently already often over-stretched.

*'I already personally feel, as team leader, that the legislation sets us quite high in terms of what we need to be doing legally, if that makes sense, and our resources, if I'm honest, doesn't stretch everything like that. I could possibly do five, four officers and the team leader, and I just feel completely or add a lot more categories that we would need a lot more additional funding from somewhere to be able to carry out the legislation.'* (Local authority interviewee, May 2019)

- 7.7 Significantly, many participants commented on the importance of ensuring that additional resources are available on a **reliable long-term basis**. There was a strong view that transitional funding would need to be sufficient and **ring-fencing** should also be considered.

*'Just a cynical point really, but politically what I think they'll do is that if they add Priority Need categories and then the Welsh Assembly Government says they'll put in some transitional provisions to help you out and then, of course, they cut the funding then after like three or four years and it's like falling off the edge of a*

*cliff, isn't it? You then think the money's gone, what are we doing to do now, we've still got the same duties but the money's been taken away again? So, you know, that's being cynical but that happens, doesn't it?* (North Wales stakeholder workshop, May 2019)

## **Housing**

- 7.8 Housing issues dominated discussions about the perceived barriers and enablers of any possible future changes to the Priority Need test. Three issues were particularly prominent; 1] supply of temporary accommodation; 2] supply of suitable affordable accommodation; and 3] social housing allocation policies. Other comments focused on the PRS, specialist and supported accommodation, and planning for housing.

### *Temporary accommodation*

- 7.9 The message was clear from participants – there is **insufficient good quality temporary accommodation** to meet demands within the current legislation and this situation is likely to worsen markedly if Priority Need were to be extended or abolished.

*'We'd have to look at our temporary accommodation arrangements en masse, because they just wouldn't be sufficient to cope with the numbers coming through the system... How much temporary accommodation there's not enough permanent accommodation out there.'* (Local authority interviewee, May 2019)

- 7.10 Many participants, particularly from local authorities, explained how in recent years they have **shifted away from using B&Bs and less desirable PRS accommodation** in an attempt to improve the quality of temporary accommodation provision. They worried that without investment in suitable temporary accommodation, there would be a return to, and **growth in, the use of unsuitable forms of temporary accommodation**. Participants also worried there may be an increase in **out of area placements**.

*'Local authorities have worked very hard to move away from that reliance on bed and breakfast. Abolishing Priority Need too soon without those additional resources there... That was t~~he~~ provide nly way to*



*accommodation, would be going back to bed and breakfast, which would be sad.'*

(Local authority interviewee, May 2019)

- 7.11 One participant raised a current concern that crisis accommodation, such as a refuge, is **often used in the longer term** when it is not suitable. There was a fear that such practices might exacerbate following any amendment to Priority Need and so a recommended enabler from participants was to move towards **rapid rehousing** and swift access to settled accommodation. Of course, this will depend on access to sufficient suitable affordable accommodation.

*Suitable affordable accommodation*

- 7.12 Again, the message from participants was unequivocal – they believe there is an insufficient supply of suitable affordable housing in the right places and this is the key barrier to legislative change. Change would reportedly be enabled if additional Priority Need groups were to be phased in alongside a **commensurate programme of affordable housing development**. Some participants commented on the opportunity to align any potential changes to the Priority Need test with new supply that might result from implementing the recommendations of the Independent Review of Affordable Housing Supply (2019).

*' I d o n ' t t h i n k y o u c a n j u s t P r i o r i t y N e e d h o f f t h e l i s t w i t h o u t ... a s w e ' v e b e e n t a l k i n g a b o u t h e r e S o i f t h e r e ' s g o i n g t o b e a n y i n c r e m e n t a l c h a n g e s m a d e t o P r i o r i t y N e e d t h e y n e e d t o b e l i n k e d t o m e e t i n g t h e d e m a n d o f t h e p e o p l e w h o a r e c o n t a i n e d w i t h i n t h a t l i s t o f P r i o r i t y N e e d i n p r o v i d i n g s u i t a b l e a c c o m m o d a t i o n f o r t h e m w i t h p u b l i c m o n e y . S o w h e n t h a t s t a r t s h a p p e n i n g a n d t h e n t h e n e e d r e d u c e s y o u c a n t h e n p e r h a p s r e m o v e a n e l e m e n t o f t h e P r i o r i t y N e e d ... s o i n 1 0 y e a r s ' t i m e w h a t e v e r , y o u c a n b e i n a p o s i t i o n t o b e a b l e t o r e m o v e P r i o r i t y N e e d i n i t s ( S o u t h W a t e s s t a k e h o l d e r w o r k s h o p , M a y 2 0 1 9 )*

- 7.13 Two important caveats were made in relation to new affordable housing supply. First, participants were of the view that any new supply must closely reflect changing needs and demands, particularly in relation to **single person and shared accommodation**. One participant suggested that there needs to be greater incentivisation for the development of single person accommodation because it is

perceived to be less profitable. Second, participants suggested that new supply must be **in the right locations**. Participants discussed how affordable properties are currently often located in undesirable locations and so they offer unsustainable solutions.

*'I think ... the right properties have to be in the right locations for building and, fair play to the Welsh Government, they're trying to build as many properties as possible. But they have to be in the right locations too, especially in the countryside. That's the only thing. Putting someone in the middle of the countryside, where you might get a bus service twice a day, is not the best solution for someone who's obviously vulnerable, who's been homeless and needs some kind of connection with other services. It has to be in the right places.'* (RSL interviewee, May 2019)

- 7.14 Some participants also called for **greater innovation and ingenuity** in meeting the affordable housing challenge, including a recommendation for more investment in and use of modular construction techniques. Albeit, discussions on this issue were contradictory, with some participants raising concerns about the 'othering' effect of accommodating formerly homeless people in accommodation that is clearly different.

#### *Allocation policies and practices*

- 7.15 Allocation policies and practices were identified as a major barrier to implementing current legislation, and there were concerns that this **might worsen if Priority Need is amended or abolished** in the future. Allocation policies reportedly vary across Wales and particularly between stock retaining and stock transfer authorities. Yet, participants described how there is a lack of evidence on policies and practices across Wales and one participant recommended a separate systematic review to improve understanding.
- 7.16 Many participants from across the housing and homelessness sector identified examples of **perceived good practice in allocation policies** and RSL collaboration with local authorities. Common housing registers, RSL commitments to allocate a particular percentage of stock to homeless households, and joint

working groups between RSLs and local authorities were all identified as positive developments.

7.17 Despite some positive perceptions, the weight of opinion on allocation policies and practices, and their ability to enable an amendment or abolition of the priority need test, fell more heavily towards **apprehension and concern**. Many examples of problematic practices were discussed and these broadly related to; 1] outright exclusion and 2] *de facto* exclusion.

7.18 According to participants, homeless households are reportedly **facing outright exclusion** for issues such as past rent arrears and debt, and anti-social behaviour. The worry amongst research participants was that these are challenges many homeless households will face and if they cannot be accommodated in the social housing sector, then there are likely to be few alternatives.

*'It's sensitive letting policy that actually excludes probably just about any household that might be homeless because you couldn't have had rent arrears, you couldn't have anti-social behaviour, you couldn't have a criminal record, you couldn't be in debt and I just thought, well, where are they going to find people to go into those ... that accommodate housing on, you know Associations have got that kind of policy to let accommodation this is never going to happen'* (South Wales stakeholder workshop, June 2019)

7.19 According to participants **de facto exclusion** is also taking place. Participants revealed the great variation in the priority given to homeless households within allocation systems. For example, in some instances all homeless households are placed into the top priority banding, irrespective of their Priority Need, meaning that exits from homelessness are likely. By contrast, in other areas a non Priority Need household will receive a low banding and will ultimately be unable to make an exit from temporary accommodation into social housing – this is a form of *de facto* exclusion. Participants suggested that exclusion also takes place through '*cherry pick*' whereby RSLs reportedly select households who are likely to require less support to manage their tenancies, leaving other households with either longer waits or PRS accommodation only. Participants judged that abolition of Priority Need might lead to a worsening of allocation policies and practices and ultimately

more households may be left in temporary accommodation with low prospects for an exit.

- 7.20 To address issues of 'cherry picking', some participants were in support of introducing an arrangement similar to Scotland's 'Section 5' **requirement for RSLs to accommodate** any homeless household referred to them. However, support for this legislative change was not widespread, largely because participants felt that any challenges in RSL engagement could be overcome without the need for such a legislative tool.

#### *Other housing-related barriers and enablers*

- 7.21 Other participant comments focused on the role of the PRS, specialist and supported accommodation, and planning for housing to enable potential amendment to or abolition of the Priority Need test.
- 7.22 There were four main concerns expressed by participants about the role of the PRS within the current homelessness legislation and any potential future changes. First, participants reported some **landlords are unwilling to rent** to homeless households – often due to past behaviours and actions (e.g. substance misuse convictions) or sources of income (e.g. universal credit). Second, the PRS was perceived to be **insecure** – six months was judged to be an insufficient tenancy period and there was concern that notice periods should be longer than two months. Participants recognised that Welsh Government is taking action to extend eviction periods but more security is reportedly required.

*'We do come across a lot of people who've rented sector, either a poor landlord or they've moved landlord decides to up the rent or sell off things coming in in Wales (longer not but if there could be some) ... extra security in the tenant's rights around know, could learn from the experience of private rented sector on the Continent to see exactly what they do around tenure and security. I think that would really help, because again a big issue we have is the conversation at the interview with people, to say okay, this is what you want private landlord that will... you know, that's long. Again, ng to f*

*people are very nervous of it, or point-blank refuse, which makes finding a solution for them quite difficult, so we need to try and improve the way that the PRS has been and the rights really. I think that would really help.* (Local authority interviewee, May 2019)

- 7.23 The third concern was that the PRS is perceived to be **unaffordable**, both at the outset of a tenancy, where households may be paying an unsustainable proportion of their income on housing costs, and in the longer term with unpredictable rent increases. This issue is discussed in greater length in relation to Social Welfare, however it was identified as a key concern amongst participants when seeking to find housing solutions in the PRS. One participant proposed some form of rent regulation, albeit other participants were worried that over-regulation of the sector might reduce supply. The fourth PRS challenge participants discussed was the **quality** of some accommodation.

*'And the private sector in some areas of Wales if you're under 35 it is not affordable, there is no way you can make your housing allowance stretch to pay for a one bed, basically, something that running down walls so it's not even good quality, private accommodation it just doesn't work.* (South Wales stakeholder workshop, June 2019)

- 7.24 Participants also highlighted that **PRS supply varies** markedly across Wales and in some areas the PRS is unlikely to play a meaningful role in discharging homelessness duties. Yet, in areas where there is a PRS supply, and notwithstanding concerns discussed above, it was suggested that the PRS should be embraced and **landlords and tenants given greater support**. Participants were particularly supportive of **PRS leasing schemes**.

- 7.25 Participants, particularly those representing specific population subgroups, articulated a need for **more extensive specialist and supported accommodation**, which includes but is not limited to **Housing First**, to enable more effective implementation of current legislation and particularly if Priority Need is to be amended or abolished. One participant suggested that the supply of such housing could be made a condition for receipt of the Social Housing Grant. Participants specifically stated that supported and specialist accommodation is

needed for some members of population subgroups such as; young people, prison leavers (particularly MAPPA cases), people facing domestic abuse, women, and people with dual diagnosis, amongst others.

*'But I think we need to look across the board at supported accommodation units, what local authorities have got access to, what do those provisions look like, are they meeting the needs of the presenting client groups at the moment, do they need to be realigned? So if you've got a high proportion of mental health in an area and you've only got one project but you've got three for another particular area do you need to realign those projects to meet the presenting.'* (South Wales stakeholder workshop, June 2019)

- 7.26 Importantly, respondents stressed that a single form of specialist or supported accommodation should not be seen as the only, and necessarily suitable, offer to a particular household. Suitable solutions will vary and a range of options must be considered.

*'Again, not having a one-size-fits-all approach either... different groups of women were saying... 'Well, actually, the options available are not there at all to meet our needs. What we're being offered, whether it's temporary housing, or refuge, or just staying where we are and carrying on being abused, or even being destitute. None of these are meeting our needs.' The it's thinking about having that intersectional approach and thinking about very different options to meet different needs.'* (Third sector interviewee, May 2019)

- 7.27 Finally, participants drew attention to the **planning process** as an important barrier to the delivery of affordable housing and therefore a barrier to any amendment or abolition of the Priority Need test. Participants described cases of NIMBYism, whereby local residents may support the theory of building more affordable housing but their support wanes when single person accommodation is proposed in their neighbourhood. Additionally, participants reported that there is disjoint between affordable housing need and the type and location of housing that is being delivered through Local Development Plan (LDP) processes. However, one participant did point to promising local practice;

*‘ What we've done, as a strategic service, is use a similar housing needs assessment that's used in the planning documents, and applied that to our housing register, and then extrapolated that for each area, so that when we get developers coming in saying, well, we're looking to do development here, would you want ...? We can say, well, no, that's point of view. From the point of view of affordable housing, this is one of the areas that's a real hotspot for us, and it's this sort of property that's a hotspot, and we've fed that information through to Planning, for them to sort of help and inform their decisions and discussions with developers, so at least we can try and get a foot in the door. (North Wales stakeholder workshop, June 2019)*

### **Social welfare**

- 7.28 Social welfare policy was seen by participants as a central barrier to the effective implementation of current homelessness legislation and any potential future amended legislation. Four main concerns were identified by participants. First, since 2010 **housing benefit levels have not risen in line with rising private rents**. According to participants, this has had the effect of increasing the percentage of income that must be spent on rents and reducing the number of potential properties available to households for rent in the private rental market. Second, there was particular discontent among participants about the restrictions on the amount of housing benefit available to **single person households under the age of 35**, who are restricted to the cost of shared accommodation. This is perceived by participants to be problematic because of the limited supply of shared accommodation but also the fundamental assumption that single person households under the age of 35 should be restricted to this type of living arrangement.
- 7.29 Third, one participant pointed to the challenges and hurdles of securing **direct payments to landlords** for recipients of Universal Credit in Wales. This participant explained that whilst it is possible to arrange for the Housing Benefit component of Universal Credit payments to be made directly to the landlord it can be difficult and it was suggested that direct landlord payments are more straightforward in the Scottish context.

*'When we try to access affordable ~~really difficult to find~~ accommodation ... i  
anything that is actually affordable now. LHA rates with us, they've stayed the  
same since 2015, so we've still only got £X<sup>12</sup> for shared accommodation, £X for a  
self-contained if you're over 35. That's really difficult, and lots of landlords already  
wouldn't let to people in receipt of benefits, but with Universal Credit coming  
through it has made it into a nearly impossible situation, to be honest.'* (Local  
authority interviewee, May 2019)

7.30 Fourth, some participants problematised the '**bedroom tax**', which makes under occupancy of a property financially unsustainable. One participant explained the mismatch between their available stock, which is largely 3 bedroom properties, and the prevailing need for single person and 2-person accommodation. Current under occupancy policy reportedly makes it difficult to use current stock in order to meet needs.

7.31 In addition to these four main participant concerns about Social Welfare policy, participants also identified the need to consider how those with **no recourse to public funds** can be assisted.

### **Homelessness services**

7.32 This sub section focuses on two service areas identified by research participants as key enablers for more effective implementation of current legislation and key to enabling potential abolition or amendment of the Priority Need test; 1] housing related support, and 2] Housing Options. Notably, some participants perceive that there is a shifting context within which these services are working, namely that the profile of homeless people approaching homelessness services has changed - **many more people are reportedly facing complex support needs** such as dual diagnosis of mental health and substance misuse issues.

*'So whether Priority Need or not our new client is complex, and we need to understand that, and we need to commission accordingly, and we need to go in prepared. And I think that's what we've got to get our heads around,*

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<sup>12</sup> Values removed to retain local authority anonymity.



*whatever happen (South Wales stakeholder workshop, May 2019)*

7.33 By far the most frequently cited enabler in relation to services is the need for **effective housing related support**, yet participants described how housing support services are reportedly facing several key challenges. First, participants explained that these services are increasingly required to fill the **gaps left by the retrenchment of statutory care services**. Yet, participants also observed that housing support services staff are not trained and equipped to meet the often complex needs of these households.

*'What it's in housing related support) is an extension of the care service provision, or the social care service provision, in a way that they're expected to do a lot more... and that's taking traditional social worker function would have been, to meet with an individual and say, well, actually, no, what you need to would then enable you to go to these... you talk to your landlord, and all these things, and so the local authorities have shrunk their Social Services capacity... They use this (Supporting People) as kind of like the cheap go (RSL interviewee, May 2019) that pro*

7.34 Second, participants believed that **commissioning of housing related support services is inconsistent** and often problematic. Participants suggested that services need to be available **more swiftly** to service users, and above-all participants called for a **trauma-informed approach**. They explained that at a minimum this would mean making support services available until they are no longer needed by the household, rather than setting arbitrary and often very limited time periods for support. Participants recognised that this challenge relates heavily to funding restrictions:

*'Local authority struggling to commission in a way that is trauma-informed and helpful, because there is simply not the resources to do so. The politicians are saying, look at the number of rough sleepers, you need to get more people through your system. Commissioners are like, well, the only way we can get more people through the system on what is effectively less money, is to shorten*

*the support lengths, maybe, and then all of a sudden, that's not effective, so people are coming back around the door, so there's a real challenge, I think, about that, like political leadership, about politicians not kind of creating an environment where both local authority commissioners, with the best of intentions, and third sector support prov into this situation where we're not creating the highest quality services that would have the greatest long-term impact.'* (South Wales stakeholder workshop, June 2019)

- 7.35 Third, housing related support was viewed by participants as often **particularly deficient in the PRS**, before and after an experience of homelessness. Given the prominence of the PRS as the tenure from which homelessness occurs, and the anticipated ongoing reliance on the sector to discharge homelessness duties, according to participants the availability of housing-related support services in the tenure will be a key enabler for change to the Priority Need test.

*'One of the things that we've found is that people who've got experience already of the homelessness systems or who are in social housing have a much easier time at accessing support than people who are in the PRS initially. So if you've been placed in the PRS as a result of discharge of a homelessness duty you might have floating support around you in there, but if the problem... or problem or the the PRS and you haven't had any interaction with homelessness or with social housing at all that's where that lack of support is always that massive, massive gap.'* (South Wales stakeholder workshop, June 2019)

- 7.36 Fourth, this study suggests the support needs of some households remain unidentified or unmet. Hence, some participants advocated a new **support needs duty** that would require suitably qualified staff to undertake an assessment of need and there would be a subsequent requirement to provide this support. In essence, this duty would make housing related support services a statutory requirement.
- 7.37 Far fewer participants commented on the need for **changes to Housing Options services**. However, the key suggestion echoes the concerns around housing related support services – participants felt there should be a shift towards a **more**

**trauma-informed approach.** As one participant stated; *' t h e p s y c h o l o g i c a l t r a u m a i n f o r m e d a p p r o a c h i s a b s o l u t e l y k e y t o h o w w e t r e a t p e o p l e w i t h c o m p a s s i o n w h e n t h e y p r e s e n t a s h o m e l e s s a n d u n d e r s t a n d h o w t r a u m a h a s l e d t o p e o p l e b e i n g i n t h o s e s i t u a t i o n s'* (Umbrella body representative interviewee, May 2019).

Participants gave specific examples of trying to avoid repeatedly asking the same questions about homelessness experiences, thereby avoiding re-traumatising people. Participants explained that abolishing Priority Need would aid in this shift towards a more trauma-informed approach as it would avoid the need to prove vulnerability.

- 7.38 Two participants also made the very specific suggestion that it might be beneficial to **separate the tasks** of delivering Housing Options services (taking reasonable steps) and the decision-making process about any entitlement (e.g. Priority Need, Intentionality etc). Finally, some local authority participants commented on the importance of **managing service user expectations** within Housing Options services arguing that doing so would reportedly enable a more effective implementation of the legislation.

*'One of our biggest challenges is around managing expectations. Regardless of Priority Need or on the housing register, or band one, band two, whatever priority we give people, we have to do a lot of work around managing people's expectations. I think that's as much a challenge as anything else, because if you think that you're entitled to something, and there's a difference between a sense of expectation and a sense of entitlement, and we see a lot of sense of entitlement as I'm sure every other local authority does. For example, 'I've lived in (place name removed) all my life'. Well, we want you to live in (place name removed) still, but if we've got no properties there, short-, medium-, or long-term... then you as the person in the middle of this process who is experiencing homelessness have to be more realistic about what your housing options are.'*  
(Local authority interviewee, May 2019)

### **The workforce**

- 7.39 Closely related to the issue of homelessness services, but worthy of separate consideration, is the issue of the homelessness sector workforce. Some participants

in local authorities and RSLs claimed that a **high rate of staff turnover** has taken place in recent years and this has reportedly resulted in **limited knowledge and experience on the front-line** in some instances. Participants suggested that the drivers behind this staff turnover appear to include; low pay, lack of opportunities for progression, redeployment from other redundant roles within councils, and the changing nature of the role(s) subsequent to the commencement of the HWA 2014.

*‘ W/pay low salaries, so where we get turnover in staff is where staff would come to us, work for us for a number of years, and then, quite rightly, through the skills and the knowledge they built up working within the service, they can apply them to other areas that have got perhaps a more interesting pay scale. We do have quite a large turnover of staff, and we just seem to go through cycles of this... We can't appoint anyone that's had housing-related experience previously, so we look at the transferrable skills, like the customer care skills primarily, because people can learn what the Act's all about, and how to apply the act.’* (Local authority interviewee, May 2019)

7.40 In response, and irrespective of any amendment to the Priority Need test, there was a view amongst participants that homelessness legislation would be more effectively implemented in Wales if there was **greater investment in the workforce**. As one participant articulated; *‘ w e ’ r e e x p e c t i m p e o p l e t a f f a n d w e ’ r e n o t n e c e s s a r i l y i n v e s t m e n t i n t h e s t a k e h o l d e r w o r k s h o p , M a y 2 0 1 9 )*. Three key investments were identified by participants. First, **staff pay** should reportedly be improved and this would need to be accompanied by changes in commissioning practices that drive costs and wages too low. Second, staff are perceived to need more **ongoing training** in the legislation and also in **trauma informed practice**. Third, and relatedly, for staff to work in a Psychologically Informed Environment, it was suggested that they should be supported more effectively themselves - in similar ways to social services staff where **clinical supervision** would be available.

*‘ B e c a u s e I k n o w t h a t w h e n I s i e s e a n d i n o t h e r c o l l o r g a n i s a t i o n s , y o u k n o w , q u i t e a l o t o f p e o p l e , y o u k n o w , o b v i o u s l y v e r y h i g h l e v e l s o f s t r e s s , q u i t e h i g h l e v e l s o f s i c k n e s s t h a t y o u m e n t i o n e d e a r l i e r a b o u t*

*people off. And I think working in this environment it can be so pressured and so stressful, you're taking on lots of people's issues and trauma and so we need to ensure that we support our staff teams and build that resilience and capacity, which I think sometimes I t (North Wales I l o f u s stakeholder workshop, May 2019)*

7.41 In Chapter 8 some of the financial impacts of a growth in the workforce are considered.

### **Homelessness prevention**

7.42 A strong message emerged from participants in the research – any changes to the Priority Need test should be accompanied by **renewed investment in homelessness prevention** because enhanced prevention efforts would reportedly reduce the demands on crisis-focused housing provision and staff resources will be reduced. Moreover, and more importantly, participants explained that the traumatic experience of homelessness is likely to be lessened for many households. One participant captured the desired direction of travel;

*'We think there's a lot more we can do in terms of prevention, actually turning the tap off, to some extent, as well as alleviating homelessness. The hope would be that if we decided to go on this journey that there will be that kind of moment when we all say, 'So what else do we need to do here? Do we need to actually stop people being evicted from the social rented sector, for example? Maybe we should just say t h a t c a n ' t h o w d o e v e r m a k e s y e n a s y o u s a i d earlier, that public services are actually collaborating more effectively in solidarity with people facing or experiencing homelessness rather than causing them more grief? So you're not actually chasing somebody in low Council Tax arrears and trebling it by the court fees and then suddenly they can't pay their rent. Those kind of issues, where everybody is actually focused on how we make sure people, first of all, don't lose their home.'* (Third sector interviewee, May 2019)

7.43 It is beyond the remit of the research to provide a detailed homelessness prevention strategy, however participants did elaborate on many specific proposals for improved homelessness prevention that would help to enable an amendment or abolition of Priority Need. Examples included:

- Improved **consistency in prevention activities** and outcomes between local authorities;
- Support for **zero evictions** from the social rented sector into homelessness;
- A sustained campaign to raise **landlord awareness** of support available to them and their tenants;
- Two legislative options were proposed. First, the adoption of the **duty to refer** which was introduced in England through the Homelessness Reduction Act 2017. Second, **public services would be under a duty** themselves to prevent homelessness. This is currently being explored as a possibility in Scotland;
- **Co-location** of prevention officers within hospitals and other institutions – an approach that has already been trialled in Wales; and
- Participants also recommended improved prevention of homelessness with specific groups of people, particularly **young people** and **people facing domestic abuse**. In relation to young people, participants suggested improving '*housing literacy*' in schools and early identification of homelessness risk through schools. In terms of domestic abuse, again the priority was to identify people at risk far earlier, particularly through RSLs.

## Collaboration

7.44 Participants stressed the **crucial importance of improved collaboration between services** in order to enable more effective implementation of the existing homelessness legislation and any amendments to Priority Need. Participants were very clear that including additional groups such as rough sleepers or prison leavers in Priority Need, or abolishing Priority Need, would result in more households with high support needs being assisted and legislative change would only be effective if there was more effective collaboration with services such as health, prisons, probation, and substance misuse services. Participants acknowledged **some pockets of seemingly effective collaboration**, particularly with individuals who have the most complex support needs. For example, Wrexham's Community Care Hub was frequently cited, Cardiff has developed a multi-agency outreach team, and in areas where Housing First is being piloted there appear to be improvements in collaborative working between services.

*'We' ve been doing targeted outreach, and integrated teams, so complex live schemes basically, where you've got joint commissions Local Authority, from Housing, from Substance Misuse Services, from Mental Health Services, from... input from all the relevant working together, ideally having a joint case management system, so a proper integration, co-location and targeting specific groups' (North Wales stakeholder workshop, June 2019)*

7.45 Yet, participants espoused that there is **considerable scope for improvement** in collaborative working, overcoming silos, and placing the needs of the individual at the centre of service design. As one participant stated; *'we have to have the cooperation and the buy-in from other agencies, so Social Services have to work with us. The Police have to work with us. RSLs have to work with us, and wider, otherwise it won't work'* (South Wales stakeholder workshop, May 2019).

7.46 If more effective collaboration is to be achieved, participants suggested there must be improved **alignment and collective action across service areas at Welsh Government and local authority levels**. Participants believed that at a minimum, decisions made in relation to other service areas should not undermine efforts to prevent and alleviate homelessness:

*I think really strategically, ministerial alignment between health, housing and criminal justice. Until we have that and funding streams that, we are all going to be doing little bits of crap here, there and everywhere, which is all really nice and well-intentioned, but we need to do something bigger and more strategic.* (Third sector interviewee, May 2019)

*We can as an RSL do all we can. We've got benefit advisors. We've got recruitment agents with local authority then cuts off (North Wales stakeholder workshop, May 2019)*

7.47 Participants identified many specific ways in which they would like to see collaboration improved in order to help enable an amendment or abolition of Priority Need:

- At a local authority level participants suggested: that services explore collaborative **case management systems** and assessment tools, which enable information sharing and avoid re-traumatising individuals; greater collaboration in **commissioning**; and co-location of services;
- Participants identified an extensive list of potential service areas that they believe should be more effectively collaborating with homelessness services, particularly health (especially mental health), social services, prisons and probation;
- Participants suggested that **collaboration also needs to take place in legislative and policy design**. For example, the Misuse of Drugs Act impacts on the ability of services to effectively engage with and support individuals with substance misuse issues; and social welfare policy often makes it unaffordable for young people to enter employment whilst living in supported accommodation.

### **Public perception and the media**

7.48 Public perception was identified as a potential barrier to amending or abolishing the Priority Need test. Participants discussed the crucial role of the media in shaping public perceptions in two main ways. First, they explained that the media can support the public to develop a **better understanding** of homelessness, to improve awareness of their rights, and to educate people about where to seek assistance. Second, there was concern amongst participants regarding **public resistance** to the abolition or extension of Priority Need, related to beliefs over the deserving and undeserving poor. This is an issue that also emerged prior to the abolition of the Priority Need test in Scotland (see Chapter 5). Therefore, participants in Wales believed the media has a role to play in talking to these concerns, with a few participants highlighting the opportunity to learn from the Crisis commissioned study on framing homelessness in the media (Nichols et al, 2018; O’Neil et al, 2017). Moreover, participants suggested that any engagement with the media will need to be at both **national and local levels**.

*‘ So I think that’s really about busting issues really are and some of the framing stuff that Crisis has done about getting that understanding; and also, a rights campaign as well, people understanding*



*t h e i r r i g h t s a n d r e s p o n s i b i l i t i e s a s w e l l*

(South Wales stakeholder workshop, June 2019)

### **Legislation, monitoring and scrutiny**

- 7.49 This final set of barriers and enablers captures a diverse range of important perspectives relating to the broad theme of legislation and scrutiny of its implementation. Participants argued for any amended legislation to be **less bureaucratic**, enabling a greater focus on meeting household needs.

*'I do think that there is an awful lot of bureaucracy and an awful lot of work that local authorities have to do before they can actually start helping people... I think the amount of bureaucracy we have now really impedes our ability to help people. (Local authority interviewee, May 2019)*

- 7.50 Some participants from local authorities, RSLs and the third sector were also in support of **greater scrutiny of local authority practices** to ensure current and any potential amended legislation meets its goals. Participants frequently pointed out inconsistencies in the implementation of the existing legislation and the apparent lack of accountability for diverging from the letter and intention of the law.

*'The Welsh Government can say what they like, local authorities will do what they want anyway, and there very rarely seems to be any consequences. So actually, what does that mean? We have a lot of them going to hold them to account? Because from what I am seeing nobody does.'*  
(Third sector interviewee, May 2019)

- 7.51 Four sources of scrutiny were suggested by participants to enable more effective and consistent implementation of existing and potential amended Priority Need legislation:

- There was support for **a regulator or ombudsperson** of homelessness services. However, there was no consensus over the remit of this role – whether the focus should be on local authority homelessness services or extended to other public services, and whether it is simply overseeing compliance with the law or should it extend to commissioning practices, allocation policies etc;

- Participants were positive about the co-location of Shelter Cymru staff alongside local authority homelessness teams;
- Shelter Cymru's **Take Notice** project, which supports people with lived experience of homelessness to assess homelessness services, was identified as a beneficial development and one which might be implemented across Wales; and
- In order to support monitoring and scrutiny of the legislation, a few participants proposed **improvements to current monitoring arrangements**. They suggested making use of a wider and **more comprehensive homelessness data set**, including housing related support services, street outreach data, and other interactions that often occur outside of the legislation.

7.52 In discussions of enabling legislative amendments, some participants called for a legislated **Right to (Adequate) Housing** in Wales. Participants pointed to the feasibility study conducted by Dr. Simon Hoffman<sup>13</sup> which provides a detailed account of the potential benefits of this fundamental change and sets out a roadmap for how it might be achieved. Whilst extending or abolishing the Priority Need test can be seen as discrete from any decision about a Right to Adequate Housing, it is important to recognise that some participants believed enshrining a Right to Adequate Housing might help drive a decision to extend or abolish the Priority Need test. Indeed, Hoffman's feasibility study specifically describes how it might lead Ministers to 'do away with' the intentionality test.

7.53 Finally, this chapter briefly considers the **potential legislative implications of amending or abolishing Priority Need**. An extension to the Priority Need groups could potentially be achieved through secondary legislation and one participant suggested that abolition of the Priority Need test would potentially have more fundamental impacts on the structure of the HWA 2014. This issue received relatively little attention during participant discussions but it is an important enabler for the potential abolition of the Priority Need test.

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<sup>13</sup> Hoffman, S. (2019) The right to adequate housing in Wales: Feasibility Report. Cardiff: Tai Pawb, CIH Cymru, Shelter Cymru

- 7.54 One participant suggested that a fundamental amendment to the HWA 2014 might be to merge Sections 73 (relief) and 75 (final duty) to create **a single stage duty for homeless households**. They suggested that there would be no need for both sections to remain as all households would have an entitlement to accommodation. In this proposed legislative framework, Section 66 (prevention) would remain, thereby creating a **2-stage**, rather than a 3-stage system<sup>14</sup>.
- 7.55 The same participant was concerned that amended legislation should **not put households in a weaker position** than they are within the current legislation, nor should there be an **erosion of the options available** to local authorities to meet their housing duties.
- 7.56 The participant questioned whether **local connection and intentionality** tests should be applied as these tests are not currently applicable to non Priority Need households at Section 73. Also, the question was posed as to whether a **refusal of an offer of temporary accommodation** should end a local authority's duty as currently this is not the case at Section 73 but it does apply at Section 75.
- 7.57 Finally, irrespective of any amendment to Priority Need, there was a proposal to extend the definition of **'threatened with homelessness'** to include households where no household at risk of homelessness is excluded from accessing support simply because they have not received an eviction notice. Whilst some participants favoured not using a time period within the definition, others recommended that the revised definition should align with the Welsh Government's proposed new timeframe for a no-fault eviction notice (i.e. 6 months).

### Chapter summary

- 7.58 This chapter explored the perceived barriers and enablers to effective implementation of any changes to the Priority Need test. Participants talked at length about these wider system challenges. Importantly, many of the issues identified also apply to the current system (e.g. lack of suitable housing supply).
- 7.59 A clear message emerged from research participants that effective implementation of potential legislative changes, and current legislation, requires improved **buy-in**

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<sup>14</sup> This is also the proposal set out by Davies and Fitzpatrick (2018)

**and leadership** at national and local government levels. At Welsh Government level there was a perceived need for the Housing Minister to hold colleagues in other portfolios to account (e.g. health), to drive both cross-departmental working and connect up different actions within the housing portfolio (e.g. affordable housing and homelessness). There was a desire for local leadership to be universally supportive of the intentions and values of the legislation.

7.60 **Resources** were at the forefront of participants' concerns relating to the effective implementation of both the current legislation and any possible future changes to Priority Need. The worry amongst participants was that already over-stretched local authority services may be entirely over-burdened by any changes. According to participants, new resources would need to be available on a reliable long-term basis, and potentially ring-fenced.

7.61 **Housing issues** dominated participants' discussions about the perceived barriers and enablers of any possible future changes to the Priority Need test. Key concerns identified by participants included: an insufficient supply of good quality temporary accommodation; a need to move towards rapid rehousing in order to avoid long stays in potentially unsuitable temporary accommodation; the potential for additional Priority Need groups to be phased in alongside a commensurate programme of affordable housing development, particularly in relation to single person and shared accommodation, built in the right locations; a planning process that enables the delivery of affordable housing; allocation policies and practices that no longer exclude households outright (e.g. past rent arrears and debt) or *de facto* (through unfavourable banding); a Private Rented Sector that is more secure, affordable and of better quality; and more extensive specialist and supported accommodation, which includes but is not limited to Housing First.

7.62 Research participants also viewed **social welfare policy** as a barrier to the effective implementation of current homelessness legislation and any potential future amended legislation. According to participants, current barriers are thought to include: housing benefit levels that have not risen in line with rising private rents; affordability and housing availability issues that result from restrictions on the amount of housing benefit available to single person households under the age of

35; hurdles of securing direct payments to landlords for recipients of Universal Credit; and the 'bedroom tax', which makes under occupancy of a property financially unsustainable. Participants also identified the need to consider how those with **no recourse to public funds** can be assisted

- 7.63 **Homelessness service** concerns identified by research participants focused on two service areas. First, there was a perceived need for more effective housing related support. Housing related support services were reportedly having to fill gaps left by the retrenchment of statutory care services; commissioning of housing related support was perceived to be inconsistent and should reportedly be more trauma-informed; and housing related support was thought to be particularly deficient in the PRS. Some participants proposed a duty to assess and meet support needs, essentially making housing related support services a statutory requirement. Second, in relation to Housing Options, participants suggested: services should be more trauma-informed; there should potentially be a separation of the tasks of delivering Housing Options services and the decision-making process about any entitlement; and there is a need to more effectively manage service user expectations.
- 7.64 Participants felt strongly that **the workforce** will play a key role in any future change to the Priority Need test in Wales. There has reportedly been a high rate of staff turnover in recent years in local authority Housing Options teams and it was suggested this has resulted in limited knowledge and experience in some places. It was claimed the drivers behind this trend include; low pay, lack of opportunities for progression, redeployment from other redundant roles within councils, and the changing nature of the role(s) subsequent to the commencement of the HWA 2014. Hence, there was considerable support for greater investment in the workforce in terms of staff pay, ongoing training, and access to clinical supervision.
- 7.65 A strong message emerged from participants in the research – any changes to the Priority Need test should be accompanied by **renewed investment in homelessness prevention** because enhanced prevention efforts would reportedly reduce the demands on crisis-focused housing provision and reduce staff resources. Examples of some of the specific suggested improvements to prevention

efforts included: improved consistency in prevention activities and outcomes between local authorities; ending evictions into homelessness from the social rented sector and reducing them from the PRS; and potential use of legislation to drive more effective engagement of public services (e.g. health) in the prevention of homelessness (e.g. a duty to refer and a duty to take steps to prevent).

- 7.66 **Collaboration** and collective action across service areas at national and local scales was also widely cited as a key enabler of any amendments to the Priority Need test. Participants were very clear that including additional groups such as rough sleepers or prison leavers in Priority Need, or abolishing Priority Need, would result in more households with high support needs being assisted. Hence, participants believed that legislative change would only be effective if there was more effective collaboration with services such as health (particularly mental health), prisons, probation, and substance misuse services. Whilst pockets of seemingly effective collaboration were acknowledged, according to participants there must reportedly be improved alignment and collective action across service areas at Welsh Government and local authority levels.
- 7.67 Participants were of the view that **public perception** is likely to be somewhat of a barrier to change. Participants explained that the media can support the public to develop a better understanding of homelessness, people's entitlements and where to seek help, whilst also having a role to play at national and local levels in addressing public resistance to change.
- 7.68 **Legislation, monitoring and scrutiny** are closely related issues that will reportedly be fundamental to enabling potential future change. Proposed enablers of change identified by participants included: less bureaucracy; greater scrutiny of local authority practices (e.g. a regulator or ombudsperson, co-location of Shelter Cymru in homelessness services, nation-wide roll-out of Take Notice, and improved homelessness data); and a legislated Right to (Adequate) Housing. More specifically, one participant explained that the abolition of Priority Need would potentially impact on the structure of the HWA 2014. However, there was concern that any amended legislation should not put households in a weaker position nor should there be an erosion of options available to local authorities. Finally,

irrespective of any amendment to Priority Need, participants proposed to extend the definition of 'threatened with homelessness' beyond 56 days. Whilst some participants favoured not using a time period within the definition, others recommended any revised definition should align with Welsh Government's proposed new timeframe for a no-fault eviction notice (i.e. 6 months).

- 7.69 Having established a clear understanding of the potential future options for the Priority Need test in Wales and the array of factors that will hinder or enable these potential legislative futures, the final research findings chapter seeks to quantify some of the main impacts of the potential changes.

## 8. Modelling the potential impacts of change

### Introduction

- 8.1 The purpose of this chapter is to provide estimates of the quantitative impacts of reforming the Priority Need test in Wales on key areas. It should be noted that this research was undertaken prior to the Covid-19 pandemic and associated lockdown. Therefore, the analysis does not take into account changes to homelessness policies or interventions, or the potential economic fallout. While a wide set of possible areas of impact are considered in the model, quantifying the entire set of costs, financial benefits and welfare gains for beneficiaries exceeds the scope of this research project. For example, costs of offering long-term housing (e.g. housebuilding and maintenance costs) as well as well-being increases for households exiting homelessness are not considered here. Perhaps most significantly, the study could not provide estimates of impacts on housing related support costs, despite the importance of housing related support which has been documented throughout the report. Also, the modelling assumes current workforce costs are sufficient to meet current demand, yet research participants suggested this is not the case in some local authorities. Hence, **this report presents a set of estimates of expected additional effects on key areas rather than net total benefits of the potential future options**, and caveats about costs that have not been modelled must be taken into account when interpreting the findings.
- 8.2 It should be noted that these financial benefits are **additional** costs on top of the baseline costs of the existing system. This research highlights that current funding may not be sufficient to achieve its aims and due to the number of unknowns the modelled costs do not take this into account.
- 8.3 This chapter estimates the key impacts of the four main potential future options identified in this study:
- Option 1** – The status quo will provide the baseline for impact estimates, with additional costs and savings then estimated for the other three main potential future options.



**Option 2** – Extension of the right to temporary accommodation to all households currently assessed as not in Priority Need.

**Option 3** – Amendments to the Priority Need categories to include the three groups most widely supported for inclusion by participants; rough sleepers, applicants under 35, and prison leavers. To enable Welsh Government to understand the potential impacts of including any one of these additional groups, or a combination of all three, option 3 includes the following alternatives:

- 3a – Rough sleepers will start to be assessed as in Priority Need in year 1, applicants under the age of 35 in year 3, and prison leavers in year 5<sup>15</sup>;
- 3b – Rough sleepers will start to be assessed as in Priority Need in year 1;
- 3c – Prison leavers will start to be assessed as in Priority Need in year 1; and
- 3d – Applicants under the age of 35 will start to be assessed as in Priority Need in year 1.

**Option 4** – Abolition of the Priority Need test. Recognising the fairly equal split in opinion regarding 5 or 10 year phasing of the abolition of the Priority Need test, Option 4 includes the following alternatives:

- 4a – Abolition over the course of five years. The Priority Need test will be abolished for rough sleepers the first year, applicants under the age of 35 the second year, prison leavers the third year, and all the remaining groups the fifth year<sup>16</sup>, and
- 4b – Abolition over the course of ten years. The Priority Need test will be abolished for rough sleepers the first year, applicants under 35 years old the fourth year, prison leavers the seventh year, and all the remaining groups the tenth year.

8.4 Tables 1 to 7 below present the expected impacts of amending the Priority Need test on key areas (see next sub section for a list of key areas). In order to provide an indicative assessment of the effects of the suggested changes on an annual basis and compare the different options, **annual average estimates** of the

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<sup>15</sup> The order of abolition was a modelling choice. Other orders could be pursued but it was not possible to model or report on every potential combination/order.

<sup>16</sup> Ibid.

expected impacts over the course of 20 years are presented. Annual average costs and savings are calculated using total financial flows adjusted for inflation and discounted according to HM Green Book's guidelines over the 20-year appraisal period. Moreover, on the basis that this report is submitted in early 2020 and substantial changes to legislation may be required, it is assumed that the first year of implementation will be 2024/25.

- 8.5 While the results presented in Tables 1 to 7 provide indicative assessments of what the longer-term future will look like following the suggested changes, they disregard the **dynamic effects** of amending the Priority Need test during the first years of implementation. For example, under option 3a, different groups entering the Priority Need test in different years will result in different levels of demand for housing services (e.g. around 120 households will enter the test in year 1, another 120 in year 2, an additional 1,100 in year 3, and around 1,500 in each year from year 4 and onwards). In order to illustrate this point, the dynamic effects of Option 4a are included in the analysis in Tables 8 to 14.
- 8.6 Estimates are presented at the national level. However, it should be noted that the analysis revealed that these **effects are expected to vary across local authorities depending on local authority-specific characteristics** – e.g. population, size of rough sleeping populations, and demand for homelessness services. For example, in Cardiff the number of new households that will get access to full housing duty services will be much larger compared to Monmouthshire.
- 8.7 The analysis is based on data provided by **14 out of the 22 local authorities** as well as Official Statistics available on StatsWales. To replace missing data, weighted averages were used that take into consideration different levels of demand for homelessness services across local authorities.

### **Key areas of impact**

- 8.8 As more households will be eligible for services under Section 75 (or any new framing of the duty to secure), following a change in the Priority Need test, demand for temporary accommodation and suitable housing offered by local authorities is expected to increase. Moreover, there are expected to be savings as a result of

households exiting homelessness and rough sleeping, hence requiring fewer services such as health and criminal justice.

8.9 The following areas of impact were included in the analysis:

- Demand for temporary accommodation;
- Cost of covering temporary accommodation needs (assuming that local authorities use the same broad mix of temporary accommodation types e.g. B&B, housing offered by RSLs, etc);
- Demand for suitable accommodation offered by local authorities under full housing duty (assuming the same mix of accommodation types as available currently e.g. houses owned by local authorities, RSLs, and private landlords);
- Costs of providing services to secure suitable accommodation including rent, deposit, and rent arrears payments;
- Staffing resources for providing services to households in Priority Need mainly including Housing Options staff – it was assumed that current staff are just about sufficient to cover current levels of demand<sup>17</sup>, and proportionately more staff will be needed if demand increases;
- Cost of housing benefit awarded to households being offered suitable accommodation by local authorities – distinguishing between housing benefit in the private and the social rented sectors (this impact would fall on UK Government);
- Savings from outreach services provided to people who sleep rough e.g. Cold Weather Provision, Emergency Overnight Stay or other types of emergency accommodation offered via Outreach Teams, and other services such as Day Centres, breakfast runs, etc; and
- Savings from wider costs associated with rough sleeping and homelessness, including drug and alcohol treatment, NHS and mental health services as well as contacts with the criminal justice system (savings to the criminal justice system would lie with UK Government).

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<sup>17</sup> However, this particular assumption should be seen as a conservative estimate given research participant concerns about the sufficiency of current staffing of Housing Options teams.

### **New households assessed as in Priority Need**

- 8.10 Option **4a** requires the complete abolition of the Priority Need test for all groups of households that are currently assessed as not in Priority Need following the end of Section 73. Hence, it entails the highest costs and savings. Under this option, around **1,990 additional households** per year will be assessed as in Priority Need and will thus be owed a full housing duty each year over the 20-year appraisal period (Table 1). Under option 4b reflecting a 10 rather than a 5-year implementation period, around 1,700 households on average are estimated to become eligible for these services per year. This difference in the number of households being eligible for full housing duty is the outcome of option 4a having extended the full duty to all households at an earlier point in time. Over a longer appraisal period, the effects of these two options would eventually be the same.
- 8.11 Under option **3a** assuming that the Priority Need test will be extended to applicants who are sleeping rough, have currently left prison and/or are under the age of 35, approximately **1,500 new households** are expected to become eligible for Priority Need services in each year following implementation of amendments in 2024/25.

**Table 1. Annual average number of additional households assessed as in Priority Need or owed a new temporary accommodation duty**

	Option 2 (TA duty)	Option 3 <sup>18</sup> (Amend)				Option 4 <sup>19</sup> (Abolish)	
		3a (All)	3b (RS)	3c (PL)	3d (U35)	4a (5yr)	4b <sup>20</sup> (10yr)
Sleeping rough	178	178	178	0	0	178	178
Prison leavers	337	300	0	537	0	337	263
Under 35 years old	1,062	1,007	0	0	1,168	1,062	952
Remaining groups	412	0	0	0	0	412	277
Total	1,989	1,485	178	537	1,168	1,989	1,669

Source: Alma Economics modelling

Table notes: 1. The table above presents model output without rounding to enable better comparative analysis of the different options. The presented estimates are indicative assessments of what the future will look like with the actual numbers being expected to vary. 2. The presented estimates take account of overlaps between applicants under the age of 35, sleeping rough and having just left prison. It is assumed that applicants that meet more than one of these criteria will enter the test as soon as one of the criteria becomes eligible. For a more detailed explanation, see Annex E.

Due to rounding, totals may not equate to the sum of all column values.

### **New demand for temporary accommodation**

8.12 Assuming that the average length of stay in temporary accommodation will not change following the suggested amendments in the Priority Need test and that all new households becoming eligible for the full housing duty will be offered temporary accommodation, Welsh local authorities will have to spend around an additional **£1.7 million** per year to cover demand under option **4a**. Under option **3a**, the cost of covering additional demand for temporary accommodation is slightly lower – around **£1.3 million** per year. Under **option 2** which requires that all households currently assessed as not in Priority Need will get the right to stay in temporary

<sup>18</sup> All = amend Priority Need to include rough sleepers, prison leavers, and applicants under 35 years old; RS = Rough Sleepers only; PL = Prison Leavers only; U35 = applicants under 35 years old only.

<sup>19</sup> 5yr = abolition over the course of five years; 10yr = abolition over the course of ten years.

<sup>20</sup> Due to rounding, totals may not equate to the sum of all column values.

accommodation for 56 days, Welsh local authorities will need to spend around **£900,000 per year** to cover additional demand<sup>21</sup>.

**Table 2. Annual average additional net cost to LAs of covering additional demand for Temporary Accommodation (£)**

	Option 2 (TA duty)	Option 3 (Amend)				Option 4 (Abolish)	
		3a (All)	3b (RS)	3c (PL)	3d (U35)	4a (5yr)	4b (10yr)
Total (£)	896,391	1,254,559	157,794	541,523	949,565	1,691,304	1,368,416

Source: Alma Economics modelling

Table notes: 1. The table above presents model output without rounding to enable better comparative analysis of the different options. The presented estimates are indicative assessments of what the future will look like with the actual numbers being expected to vary.

### **New demand for secure suitable accommodation**

- 8.13 Amending the Priority Need test will also result in increased demand for secure, long-term accommodation. However, not all Priority Need households currently have their final duty ended through a positive discharge into secure, long-term accommodation. Assuming that this pattern persists following any amendments, it is estimated that around **1,500 additional households** will be offered **secure accommodation per year** following the abolition of the Priority Need test over a 5-year period (Option 4a).
- 8.14 As shown in Table 3, increase in demand for secure, long-term accommodation under expanding the test to include applicants under 35 years old, rough sleepers and prison leavers (**option 3a**) is lower with around **1,100 households** being offered suitable accommodation per year over a 20-year period. Table 3 also disaggregates this new demand by tenure, assuming the current mix of accommodation types offered by local authorities persists. Hence, approximately

<sup>21</sup> According to data reported by local authorities, the average length of stay in temporary accommodation is 1.2 quarters. To calculate temporary accommodation costs, it was assumed that average length of stay will not change following a change in the Priority Need test. In option 1, it was assumed that the average length of stay is only 56 days (which is currently the maximum length of stay in temporary accommodation under the relief duty).

**1,200 of the 1,500 households** under option 4a would be offered **local authority or RSL accommodation** each year if the abolition of the Priority Need test took place over a 5-year period.

**Table 3. An additional number of households being offered secure suitable accommodation<sup>22</sup>**

	Option 2 (TA duty)	Option 3 (Amend)				Option 4 (Abolish)	
		3a (All)	3b (RS)	3c (PL)	3d (U35)	4a (5yr)	4b (10yr)
owned by LAs	0	195	26	72	157	268	225
owned by RSLs	0	727	87	246	581	980	822
owned by private landlords	0	185	19	75	139	244	204
Total	0	1,107	132	393	877	1,492	1,251

Source: Alma Economics modelling

Table notes: 1. The table above presents model output without rounding to enable better comparative analysis of the different options. The presented estimates are indicative assessments of what the future will look like with the actual numbers being expected to vary.

### **Staff and Housing Options resources**

8.15 Additional to the cost of providing housing (e.g. building costs), offering services that are related to securing accommodation is expected to entail costs including payments for deposits, rents and arrears. According to Table 4, **supporting new Priority Need households to enter long-term housing** is expected to cost around **£39,000** per year under **option 4a** while under **3a**, the annual cost will be around an additional **£29,000** on average.

<sup>22</sup> No households are offered secure suitable accommodation under Option 2 as this amendment to legislation does not introduce any new entitlement to settled accommodation.

**Table 4. Annual average additional cost of securing suitable accommodation - including rent, deposit payments, rent arrears payments (£)**

	Option 2 (TA duty)	Option 3 (Amend)				Option 4 (Abolish)	
		3a (All)	3b (RS)	3c (PL)	3d (U35)	4a (5yr)	4b (10yr)
Total (£)	0	28,638	3,434	10,531	23,289	38,904	31,617

Source: Alma Economics modelling

Table notes: 1. The table above presents model output without rounding to enable better comparative analysis of the different options. The presented estimates are indicative assessments of what the future will look like with the actual numbers being expected to vary.

8.16 Moreover, the increase in households eligible for full housing duties will result in an increase in **local authority staffing requirements**. Based on existing staff to service user ratios reported by local authorities (approximately 1 staff member to 8 homeless households), Table 5 shows that around **140 additional full-time employees** (or Full Time Equivalents)<sup>23</sup> will be needed in Wales to assist the additional Priority Need households into secure suitable accommodation if the Priority Need test is expanded to applicants under 35 years old, rough sleepers, and prison leavers (**option 3a**). This will rise to around **180 additional employees** under the full abolition of the test reflected in option **4a**.

<sup>23</sup> Full time equivalent (FTE) is a unit that represents working hours of employees on a full-time basis. It is used to compare staffing resources across different contexts. For example, one FTE corresponds to one worker on an 8-hours work schedule per day as well as to two workers on a 4-hours work schedule per day each.



**Table 5. Average additional need for staffing resources for providing services to secure suitable accommodation (FTE)**

	Option 2 (TA duty)	Option 3 (Amend)				Option 4 (Abolish)	
		3a (All)	3b (RS)	3c (PL)	3d (U35)	4a (5yr)	4b (10yr)
Total Full Time Equivalents (FTE)	0	135	15	54	103	177	149

Source: Alma Economics modelling

Table notes: 1. The table above presents model output without rounding to enable better comparative analysis of the different options. The presented estimates are indicative assessments of what the future will look like with the actual numbers being expected to vary.

### **Housing benefit expenses**

8.17 Table 6 presents estimates of annual housing benefit expenses due to benefit being awarded to homeless and rough sleeping households entering long-term housing. Abolishing the Priority Need test (**under option 4a**) is expected to result in an additional average cost of **£4.6 million per year to the UK government**. More specifically under option 4a, the housing benefit expenses associated with households entering the social rented sector will amount to just under £4 million per year while the cost of housing benefit awarded to entrants in the private rented sector will rise to around £690,000 per year. Extending the Priority Need test to include specific groups (**under option 3a**) will incur approximately **three quarters of the cost** (£3.4 million).

**Table 6. Annual average additional housing benefit expenses for households getting access to secure accommodation (£)<sup>24</sup>**

	Option 2 (TA duty)	Option 3 (Amend)				Option 4 (Abolish)	
		3a <sup>25</sup> (All)	3b (RS)	3c (PL)	3d (U35)	4a (5yr)	4b (10yr)
HB costs for entrants in the social rented sector	0	2,886,425	363,555	1,017,485	2,376,235	3,945,338	3,208,666
HB costs for entrants in the private rented sector	0	517,117	53,541	215,539	400,123	690,586	559,295
Total	0	3,403,543	417,096	1,233,024	2,776,358	4,635,924	3,767,961

Source: Alma Economics modelling

Table notes: 1. The table above presents model output without rounding to enable better comparative analysis of the different options. The presented estimates are indicative assessments of what the future will look like with the actual numbers being expected to vary.

### **Savings from households exiting rough sleeping and homelessness**

- 8.18 It is anticipated that savings should flow from the potential changes in the Priority Need test due to households exiting homelessness and rough sleeping and hence not using a set of additional services.
- 8.19 First, households transitioning from rough sleeping to secure, long-term accommodation will no longer use outreach services offered by the local authorities. Data reported by local authorities on total expenses on outreach services as well as estimates of annual rough sleeper numbers were combined to calculate the costs of outreach services per household sleeping rough. According to these estimates, the annual additional cost that would be saved from outreach and other related services would be around £1,700 per household assisted from rough sleeping in to secure,

<sup>24</sup> Note that this table presents an estimate of the gross HB costs associated with households gaining access to secure housing. Some of these households may have claimed HB while in temporary accommodation, so the net HB cost is likely to be lower.

<sup>25</sup> Due to rounding, totals may not equate to the sum of all column values

long-term accommodation. Therefore, around **£160,000 will be saved from outreach services on an annual basis** under options 3a and 4a.

- 8.20 Additionally, a study by Price Waterhouse Coopers (PWC, 2018) provides estimates of further costs savings associated with assisting homeless households into settled accommodation. Specifically, it is possible to estimate the savings that are expected to result from reduced use of physical and mental health, and drug and alcohol treatment services as well as fewer contacts with the criminal justice system. Savings are estimated separately for rough sleepers and all other additional households who would be helped into secure, long-term accommodation under the potential future options for Priority Need.
- 8.21 It is estimated that under option **4a**, around **£670,000 is expected to be saved annually** due to **rough sleepers** moving into long-term housing. For the many more households who were not rough sleepers but were homeless and would be assisted into settled accommodation, another **£4.1 million** would be saved each year across physical and mental health, and drug and alcohol treatment services as well as the criminal justice system.
- 8.22 In total, the **annual savings under option 4a** (abolition of the Priority Need test within 5 years) associated with outreach services and wider services (physical and mental health, substance misuse, and criminal justice) **are estimated at nearly £5 million**. In comparison, extending the Priority Need test to include specific groups (**under option 3a**) would realise approximately **three quarters of these savings** (£3.8 million).

**Table 7. Annual average additional savings from services used by homeless & rough sleeping households (£)<sup>26</sup>**

	Option 2 (TA duty)	Option 3 (Amend)				Option 4 (Abolish)	
		3a (All)	3b (RS)	3c (PL)	3d (U35)	4a (5yr)	4b (10yr)
Outreach services	157,794	157,794	157,794	0	0	157,794	157,794
Wider services used by rough sleepers	0	669,602	669,602	0	0	669,602	669,602
Wider services used by homeless households	0	2,944,063	0	1,230,180	2,720,459	4,143,240	3,291,988
Total	157,794	3,771,459	827,396	1,230,180	2,720,459	4,970,636	4,119,384

Source: Alma Economics modelling

Table notes: 1. The table above presents model output without rounding to enable better comparative analysis of the different options. The presented estimates are indicative assessments of what the future will look like with the actual numbers being expected to vary.

### **Dynamic effects of suggested changes in the Priority Need test**

8.23 Up to this point the potential impacts have been presented as if all costs/impacts are experienced evenly across the implementation period – yet, this is rarely the reality. For example, different groups entering the Priority Need test in different years would result in varied levels of demand over time. This uneven impact over time is referred to as a dynamic effect.

8.24 It would be unnecessary and burdensome to attempt to describe the dynamic impacts of all potential future options. Therefore, this section presents in more detail the dynamic outcomes of abolishing the Priority Need test over the course of five years (option 4a). The dynamic impact of this option is presented because it is expected to entail the highest costs as well as the largest benefits. Annual

<sup>26</sup> Under Option 2 no additional households are offered secure suitable accommodation. Hence, savings associated with securing settled accommodation are zero.

estimates of costs and benefits are shown over ten years following the implementation of the abolition.

8.25 As shown in Table 8, under a staged implementation of the Priority Need test abolition, demand for full housing services will **gradually increase over the five-year implementation period** until all households currently assessed as not in Priority Need get the right to full housing services. Following this period, the number of new households being owed a full housing duty will stabilise at around 2,200 households per year as shown in Table 8.

**Table 8. Annual numbers of additional households assessed as in Priority Need (as defined in Option 4a)**

	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34
Sleeping rough	135	139	143	147	151	155	159	164	168	173
Prison leavers	0	0	371	371	372	373	373	374	374	375
Under 35 years old	0	1,105	1,108	1,110	1,112	1,114	1,117	1,119	1,120	1,121
Remaining groups	0	0	0	0	547	544	541	537	533	529
Total	135	1,244	1,622	1,628	2,182	2,186	2,190	2,194	2,195	2,198

Source: Alma Economics modelling

Table notes: 1. The table above presents model output without rounding. The presented estimates are indicative assessments of what the future will look like with the actual numbers being expected to vary. 2. The presented estimates take account of overlaps between applicants under the age of 35, sleeping rough and having just left prison. It is assumed that applicants that meet more than one of these criteria will enter the test as soon as one of the criteria becomes eligible.

8.26 Tables 9-13 present estimates of the dynamic effects of abolishing the Priority Need test in key areas of interest. As shown in Table 9, the additional cost for covering new demand **for temporary accommodation** is expected to be equal to **£180,000 in 2024/25** when the test will only be abolished for **rough sleepers**. This cost will **increase to approximately £1.6 million** after homelessness applicants under 35 get the right to full housing duty **the following year**. The abolition of the test for prison leavers will result in additional costs rising to **£2.2 million in 2026/27** while

the abolition for all the remaining groups will cause additional costs to increase by around **£1 million in 2028/29**.

**Table 9. Annual additional net cost of covering additional demand for Temporary Accommodation (£ million) (as defined in Option 4a)**

	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34
Total	0.18	1.57	2.21	2.25	3.02	3.06	3.10	3.14	3.18	3.21

Source: Alma Economics modelling

Table notes: The presented estimates are rounded to the nearest thousand.

8.27 According to Table 10, around **100 new households** will be offered access to long-term housing in **2024/25** while the number of new applicants moving to secure housing will rise to around **900** following the abolition of the test for homeless applicants under the age of 35 in **2025/26**. Following full implementation of the abolition, demand for suitable, long-term accommodation is expected to rise to **1,600 new households per year**. As shown in Table 11, the annual cost of additional services to secure long-term accommodation will amount to **£70,000** following full rollout of the policy change. Table 12 shows the additional staffing resources required relative to the status quo. This does not mean that 200 new staff are required each year from 2028/29 onwards – it shows that **relative to the status quo 200 additional staff will be required in total by 2028/29**. After this point, local authority Housing Options teams should be fully staffed to meet needs.

**Table 10. Annual numbers of additional households demanding secure, long-term accommodation (as defined in Option 4a)**

	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34
owned by local authorities	20	168	212	213	295	296	296	296	297	297
owned by RSLs	66	618	793	797	1,075	1,077	1,078	1,080	1,081	1,082
owned by private landlords	14	146	204	205	268	268	268	269	269	270
Total	100	932	1,209	1,215	1,638	1,641	1,642	1,645	1,647	1,649

Source: Alma Economics modelling

Table notes: The table above presents model output without rounding. The presented estimates are indicative assessments of what the future will look like with the actual numbers being expected to vary.

**Table 11. Annual additional cost of securing suitable accommodation (rent, deposit payments, rent arrears payments, £) (as defined in Option 4a)**

	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34
Total	4,000	38,000	50,000	50,000	69,000	70,000	71,000	72,000	73,000	74,000

Source: Alma Economics modelling

Table notes: The presented estimates are rounded to the nearest thousand.

**Table 12. Additional need for staffing resources relative to status quo for providing services to secure suitable accommodation (FTE) across Wales (as defined in Option 4a)**

	2024/ 25	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34
Total	11	100	150	150	200	200	200	200	200	200

Source: Alma Economics modelling

Table notes: The presented estimates are rounded to the nearest hundred. Due to the data received from local authorities (14 out of 22) and subsequently the averages used, this may be an under/overestimate (Annex E).

8.28 As shown in Table 13, additional expenses for housing benefit are expected to amount to around **£7 million** for households transitioning from homelessness and rough sleeping to **social housing** in **2028/29** following full implementation of option 4a (abolition of Priority Need within 5 years). The additional cost to the UK Government for covering housing benefit awarded to new entrants in the **private rented sector** will amount to around **£1.2 million** in the same year.

**Table 13. Annual additional housing benefit expenses for households getting access to secure accommodation (£ million) (as defined in Option 4a)**

	2024 / 25	2025 / 26	2026 / 27	2027 / 28	2028 / 29	2029 / 30	2030 / 31	2031 / 32	2032 / 33	2033 / 34
HB costs for entrants in the social rented sector	0.43	3.91	5.04	5.11	7.05	7.14	7.23	7.32	7.41	7.49
HB costs for entrants in the private rented sector	0.06	0.65	0.92	0.93	1.23	1.25	1.26	1.28	1.29	1.31
Total	0.49	4.56	5.96	6.04	8.28	8.39	8.49	8.60	8.70	8.80

Source: Alma Economics modelling

Table notes: The presented estimates are rounded to the nearest hundred.

8.29 Finally, Table 14 shows estimates of annual savings from reduced use of outreach services by rough sleepers and reduced use of wider services (physical and mental health, substance misuse, and criminal justice) by both rough sleepers and other homeless households. In the **first year** of implementing option 4a (abolishing priority need within 5 years), around **£1 million in savings** will flow from reduced use of a set of services that households would have used if they remained homeless and rough sleeping. Savings **after five years** will rise to **approximately £9 million**.



**Table 14. Annual additional savings from services used by homeless & rough sleeping households (£ million) (as defined in Option 4a)**

	2024 /25	2025 /26	2026 /27	2027 /28	2028 /29	2029 /30	2030 /31	2031 /32	2032 /33	2033 /34
Outreach services	0.19	0.19	0.20	0.21	0.22	0.23	0.24	0.24	0.25	0.26
Wider services used by rough sleepers	0.79	0.82	0.85	0.89	0.92	0.96	0.99	1.03	1.08	1.12
Wider services used by homeless households	0	3.97	5.35	5.42	7.56	7.65	7.73	7.81	7.88	7.96
Total	0.98	4.98	6.40	6.52	8.70	8.84	8.96	9.08	9.21	9.34

Source: Alma Economics modelling

Table notes: The presented estimates are rounded to the nearest hundred.

### Other policy options

- 8.30 The methodological framework allowed for observing variations in impacts under different assumptions for each of the potential future options for Priority Need. In particular, estimates were produced of expected effects under alternative orderings of groups becoming eligible for the full housing duty. For example, rather than assuming that rough sleepers would become eligible first, then people under the age of 35, and then prison leavers (as per options 3a, 4a and 4b), impacts were estimated assuming that prison leavers will become eligible first and rough sleepers second, while applicants under the age of 35 will be the last group to be owed a full housing duty prior to abolishing the test for all other remaining groups under options 4a and 4b. Additionally, outputs were produced assuming that applicants under the age of 35 will become eligible first, rough sleepers second and prison leavers third, etc. Effects under different ordering were estimated for all options.
- 8.31 The dynamic effects of the policy change over the first years following implementation are expected to differ across alternative orderings. For example, if applicants under 35 years old become eligible first, local authorities will face increased demand for services in the first stage of the policy change compared to a scenario under which rough sleepers enter the test first. Naturally, this increased demand will be associated with higher costs. For example, under the scenario

discussed earlier in this chapter where rough sleepers become eligible for the full housing duty first, applicants under 35 second, and prison leavers third, the net cost for covering new demand for temporary accommodation is estimated at around **£0.18 million in 2024/25**. If it is assumed that the test is abolished first for applicants under 35, second for rough sleepers and third for prison leavers, the additional temporary accommodation cost will rise to **£1.4 million in the same year**.

- 8.32 While dynamic effects will vary depending on the stages of the rollout, the **total effects over the 20-year appraisal period are not expected to change substantially** under different assumptions on ordering. The total number of households that will become eligible for full housing duty services as well as estimated costs and benefits are fairly similar across different orderings.

### **Chapter summary**

- 8.33 This chapter sought to estimate the quantitative impacts of the four main potential future options for Priority Need in Wales. The impact modelling is limited in three main ways. First, while a wide set of areas of impact were considered in the model, quantifying the entire set of costs, financial benefits and welfare gains exceeded the scope of this research project (e.g. potential additional spending on prevention was not modelled). Second, the modelling could not provide estimates of impacts on housing related support costs. Third, the modelling assumed current costs (e.g. workforce costs) are sufficient to meet current demand, yet research participants suggested this is not the case in some local authorities and so these costs may be an under-estimate.
- 8.34 Hence, this report presents a set of estimates of expected additional effects on key areas rather than net total benefits of the potential future options, and caveats about costs that have not been modelled must be taken into account when interpreting the findings.
- 8.35 The impacts of four main potential future options for Priority Need in Wales were modelled, including alternative scenarios for options 3 and 4:

**Option 1** - The status quo will be provided the baseline for impact estimates, with additional costs and savings then estimated for the other three main potential future options.

**Option 2** – Extension of the right to temporary accommodation (TA) to all households currently assessed as not in Priority Need.

**Option 3** – Amend Priority Need categories to include the three groups most widely supported for inclusion; rough sleepers, applicants under 35, and prison leavers. To enable Welsh Government to understand the potential impacts of including any one of these additional groups, or a combination of all three, option 3 includes the following alternatives:

- 3a – Rough sleepers will start to be assessed as in Priority Need in year 1, applicants under the age of 35 in year 3, and prison leavers in year 5;
- 3b – Rough sleepers will start to be assessed as in Priority Need in year 1;
- 3c – Prison leavers will start to be assessed as in Priority Need in year 1; and
- 3d – Applicants under the age of 35 will start to be assessed as in Priority Need in year 1.

**Option 4** – Abolition of the Priority Need test. Recognising the split in opinion regarding 5 or 10 year phasing, Option 4 includes the following alternatives:

- 4a – Abolition over five years. The Priority Need test will be abolished for rough sleepers the first year, applicants under 35 in the second year; prison leavers the third year, and all the remaining groups the fifth year; and
- 4b – Abolition over ten years. The Priority Need test will be abolished for rough sleepers the first year, applicants under 35 in the fourth year, prison leavers the seventh year, and all the remaining groups the tenth year.

8.36 Tables 15 and 16 draw together the findings across all the areas of impact explored in this chapter for each of the potential future options. Table 15 summarises impacts on additional numbers of households that would be in Priority Need under the different options and the additional staff requirements. Table 16 summarises all of the estimated financial impacts. **Annual average estimates** of the expected impacts over the course of 20 years are provided. Notably, estimates are at the

national level but these **effects will vary across local authorities**. These costs are in addition to the baseline costs of funding the current system. All estimates are **additional to households and costs under Option 1 – the status quo**.

8.37 The analysis is based on data provided by **14 out of the 22 local authorities** as well as Official Statistics available on StatsWales. To replace missing data, weighted averages were used that take into consideration different levels of demand for homelessness services across local authorities.

**Table 15. Summary of estimated impacts of future Priority Need options (additional households and staff)**

Area of Impact	Option 2 (TA duty)	Option 3 <sup>27</sup> (Amend)				Option 4 <sup>28</sup> (Abolish)		
		3a (All)	3b (RS)	3c (PL)	3d (U35)	4a (5yr)	4b (10yr)	
Annual additional households in Priority Need	1,989	1,485	178	537	1,168	1,989	1,669	
Annual additional households offered secure accommodation	LA	0	195	26	72	157	268	225
	RSL	0	727	87	246	581	980	822
	PRS	0	185	19	75	139	244	204
	Total	0	1,107	132	393	877	1,492	1,251
Total additional Housing Options staff (FTE)	0	135	15	54	103	177	149	

Source: Alma Economics modelling

<sup>27</sup> All = amend Priority Need to include rough sleepers, prison leavers, and applicants under 35 years old; RS = Rough Sleepers only; PL = Prison Leavers only; U35 = applicants under 35 years old only.

<sup>28</sup> 5yr = abolition over the course of five years; 10yr = abolition over the course of ten years.

**Table 16. Summary of estimated impacts of future Priority Need options (additional costs in £)**

Area of Impact (Annual average)	Option 2 (TA duty)	Option 3 (Amend)				Option 4 (Abolish)	
		3a (All)	3b (RS)	3c (PL)	3d (U35)	4a (5yr)	4b (10yr)
Cost of additional demand for TA	896,391	1,254,559	157,794	541,523	949,565	1,691,304	1,368,416
Additional cost of securing accomm.	0	28,638	3,434	10,531	23,289	38,904	31,617
Additional housing benefit expenses	0	3,403,543	417,096	1,233,024	2,776,358	4,635,924	3,767,961
Savings from reduced outreach and other services (e.g. health) use	157,794	3,789,459	827,396	1,230,180	2,720,459	4,970,636	4,119,384

Source: Alma Economics modelling

8.38 To enable comparison and for clarity of message, the potential impacts identified in Table 15 assume that all costs/impacts are experienced evenly across the implementation period, yet this will not be the reality. For example, different groups entering the Priority Need test in different years would result in varied levels of demand over time. This uneven impact over time is referred to as a dynamic impact.

8.39 In order to **illustrate the dynamic impacts** of potential changes to the Priority Need test, the research considered the likely dynamic impacts of abolishing Priority Need over a 5 year period (Option 4a). This option was selected simply because it is expected to entail the highest costs as well as the largest benefits. Key findings include:

- The number of **additional households assessed as in Priority Need** will increase over the five-year implementation period, from 135 additional households in 2024/25, stabilising at around 2,200 households per year from 2028/29.

- The additional cost for covering additional demand **for temporary accommodation** is expected to be equal to £180,000 in 2024/25 if the test were only abolished for rough sleepers. This cost would increase to approximately £1.6 million after homelessness applicants under 35 are added to the Priority Need groups the following year. The abolition of the test for prison leavers is estimated to result in additional costs rising to £2.2 million in 2026/27, while the abolition for all the remaining groups will cause additional costs to increase to a total of approximately £3 million by 2028/29.
- Around 100 additional households will be offered **access to long-term housing** in 2024/25 while the number of additional households moving to secure housing is expected to rise to around 900 following the abolition of the test for homeless applicants under the age of 35 in 2025/26. Following full implementation of the abolition, demand for suitable, long-term accommodation is expected to rise to 1,600 new households per year from 2028/29.
- In the **first year** of implementing option 4a (abolition of Priority Need over 5 years), around £1 million in savings is expected to flow from reduced use of **outreach services** by rough sleepers and reduced use of **wider services** (physical and mental health, substance misuse, and criminal justice) by both rough sleepers and other homeless households. Savings after **five years** in 2028/29 will rise to approximately £9 million.

8.40 The dynamic effects of any policy change over the first years following implementation are expected to differ depending on **the order in which different Priority Need groups are added**. For example, if rough sleepers become eligible for the full housing duty first, applicants under 35 second, and prison leavers third, the net additional cost for covering new demand for temporary accommodation is estimated at around £0.18 million in 2024/25. If it is instead assumed that the test is abolished first for applicants under 35, second for rough sleepers and third for prison leavers, the additional temporary accommodation cost will rise to £1.4 million in the first year (2024/25). While the dynamic effects will vary in the early stages of the rollout, the total effects over the 20-year appraisal period are not expected to change substantially.

8.41 This chapter has provided new insights into the estimated impacts of the potential future options for Priority Need in Wales. And, whilst a wide range of impacts are considered in the model, quantifying the entire set of costs, financial benefits and welfare gains exceeded the scope of this research project. Hence, these findings must be interpreted and used carefully, acknowledging the methodological limitations and the costs that the study has not been able to model.

## 9. Conclusions

9.1 This final chapter returns to the five research objectives and summarises the key findings of the research.<sup>29</sup> Importantly, this study does not make recommendations to Welsh Government. Instead the report provides an evidence base upon which Welsh Government can make informed decisions about the potential future of the Priority Need test in Wales.

### **Objective I. Develop a clear understanding of the implementation of the Priority Need test in contemporary Welsh legislation**

9.2 Five themes relating to the strengths and weaknesses of the current Priority Need test emerged from the study: exclusion and prioritisation; inconsistency; trauma; resources and bureaucracy; and outcomes for Priority Need households. Additionally, specific views were expressed on the tests of local connection and intentionality which accompany Priority Need.

9.3 According to the majority of participants the key weakness of the Priority Need test is that it **turns some homeless people away**, with no final solution – a situation which was described as an injustice and immoral. Moreover, the test was reportedly sometimes used informally to **gatekeep** non Priority Need households from accessing assistance. However, within current resource limitations some form of rationing and prioritisation was thought to be required and the Priority Need test was perceived by the majority to **target and provide a safety net for many vulnerable groups** (e.g. 16-17 year olds, families with dependent children, people facing domestic abuse). Yet, perceived weaknesses of the current Priority Need test meant that most participants wanted to see some form of change, for example an extension of Priority Need groups.

9.4 Participants argued that a key weakness was the **use of a relatively high threshold for vulnerability**, despite the limited evidence requirements set by the reason to believe test. This reportedly resulted in **vulnerable people such as rough sleepers being excluded** from access to interim accommodation and

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<sup>29</sup> It should be noted that this research was undertaken prior to the Covid-19 pandemic and associated lockdown. Therefore, the analysis does not take into account changes to homelessness policies or interventions, or the potential economic fallout.



support. In contrast, some local authorities perceived that **the reason to believe threshold was set too low** and resulted in over-stretched temporary accommodation provision. Participants were also critical of the vulnerability test because it **encouraged people to become more vulnerable** in order to 'earn' priority status. Importantly, the research did note comments about some local authorities **o p e r a t i n g l a r g e l y ' P r i o r i t y N e e d b l i n**

- 9.5 Participants were almost unanimous in their conclusion that the Priority Need test is **implemented inconsistently**, particularly in the **application of the vulnerability test**, whereby front-line workers appear to be pivotal in determining who gets assisted and how. Notably, some participants highlighted the **importance of advocates** in determining decisions and outcomes for households. Despite the clear message regarding the inconsistency of implementation, participants did highlight how the situation would be worse in the current constrained resource context if there was no Priority Need test. Some participants explained that with the exception of the vulnerability test, many of the Priority Need groups (e.g. households with children) are well defined, and this helped to avoid a system where decision making was entirely subjective. Finally, it was recognised that there were examples of **local authorities working collaboratively** to try and drive greater consistency, for example through the North Wales regional forum.
- 9.6 Many participants pointed out the **traumatic impacts of the Priority Need test** on homeless people and front-line staff as a key weakness. The vulnerability test was reportedly **traumatic for individuals** as they must prove their vulnerability and it was claimed **to cause vicarious trauma** for staff when they were required to end a housing duty without having found a solution.
- 9.7 Another perceived weakness of the Priority Need test was the **focus on process and determining entitlements**, rather than the needs of the individual. The process of determining entitlement and challenging decisions was perceived to be very **resource intensive**, particularly in relation to proving vulnerability. This process is also reportedly **over medicalised**, placing unreasonable expectations on the skills and abilities of front-line homelessness services staff.

- 9.8 Whilst views on the outcomes for Priority Need households were mixed, there was general agreement that outcomes were **better than those of non Priority Need** households, with outcomes often ending positively in a **secure RSL tenancy**. However, some participants felt that **housing outcomes could be unsustainable** due to the location of housing away from positive support networks and the frequent absence of tenancy support – especially if the household was accommodated in the PRS. A very frequently identified deficiency was the reliance on **unsuitable interim and temporary accommodation**, reportedly often used for **long periods of time**. It was also noted that the current **evidence base** on outcomes for homeless households limits the ability to draw firm conclusions.
- 9.9 Whilst some participants supported the **retention of a local connection test**, the **majority of participants were critical of current practice** and some advocated removing the test from legislation. Concerns about local connection policies related to **gatekeeping**, whereby households were sent away before any meaningful assistance was provided, and gatekeeping **through other means**, such as housing allocation policies, prevention funds and bond schemes. In response, some participants argued for policies that allow for and **support greater movement between local authorities**. A few participants also commented on specific challenges relating to **reconnection policies** and the **temporary placement of people out of area**.
- 9.10 Relatively few comments were made about the **intentionality test**, which perhaps reflects the observation by some participants that the test was **hardly used** and its use was likely to decrease following the recent commencement of provisions in the HWA 2014 relating to intentionality and households with children. However, two participants did describe the test as a useful tool that was **used as a threat** to encourage engagement with services. One participant proposed **removing the intentionality test** because it contradicts a trauma informed approach.

#### **Objective II. Draw learning from the abolition of Priority Need in Scotland**

- 9.11 The primary motivations for phasing out the Priority Need test in Scotland were to **'do something different'** on homelessness in light of perceived UK Government failings in this area and Scotland's new powers as a devolved nation, and to **right**

**what was perceived as an historic wrong** that excluded single people, without good justification, from the help they needed.

- 9.12 There was a strong **consensus in favour of the reforms at national level** among political and homelessness sector leaders. **At the local level, views were more mixed**, with concerns primarily orienting around the practical challenges of phasing out the Priority Need test, but also, to a lesser degree, reflecting a more fundamental resistance to the proposals. The approach taken to phasing out the test was defined by two key features: the very **long phase out** period and the **discretion given to local areas** regarding how the test was phased out. This approach was taken primarily to ease resistance and aid implementation at the local level.
- 9.13 **Leadership, resources**, and the introduction of the **Housing Options preventative approach** were identified as **key enablers** to meeting the 2012 target. While the failure to increase **affordable housing supply issues** was identified as a barrier, this did not ultimately damage local authority capacity to implement the phase out.
- 9.14 The first **impact of abolishing Priority Need** in Scotland is on the number of households owed a full duty (homeless acceptance). This peaked at just over 37,000 households in 2009/10 from a starting point of 28,000 in 2002-03, yet by 2012/13 the number had fallen back to around 29,000 households, largely as a result of Housing Options. In terms of housing outcomes, the percentage of households securing settled housing raised from just 48% in 2002/03 to 70% in 2018/19.
- 9.15 Despite the absence of a formal evaluation of the impacts of the phase out, available evidence and expert opinion is unequivocal that it had a **positive impact on the single homeless households** 'enfranchised' by the change, most notably in giving them access to temporary and settled accommodation where previously they were entitled to very little help. There is also some indication of positive impacts on local authority **staff teams and service culture**.
- 9.16 The phasing out of the test did, however, bring unintended and less welcome impacts, namely a very significant **increase in the use of temporary**

**accommodation** (tripling between 2002 and 2011), including less desirable congregate forms of temporary accommodation, and an increase in the **proportion of social housing lets** allocated to homeless households (ranging widely between local authorities, from less than 20% to over 60%). Despite these impacts, there was no indication from participants that any of these downsides undercut the case for abolishing the Priority Need test.

- 9.17 Three key weaknesses of the current post-abolition Scottish system were identified here: a heavy **reliance on temporary accommodation**, a need to radically improve services for people at risk of or experiencing homelessness alongside other **complex needs**, and a failure to introduce adequate and robust enough **homelessness prevention policy and practice**. While high use of temporary accommodation can be seen in large part as a result of phasing out the Priority Need test, there is considerable **hope going forward** that **better prevention** and a **rapid rehousing** response can address this. Emphasis on these, concurrent with the Priority Need phase out, could have reduced the impact of the reform on temporary accommodation use. The gap in effective responses for those with complex needs is clearly identified as an issue that the Priority Need reforms were not intended – and could not – address, with a suite of measures now being introduced to meet this challenge.
- 9.18 Despite the challenges documented here, it is worth emphasising that over seven years on from the full abolition of the test, participants from across the voluntary sector, national government, local authorities and the social housing sector perceived **the decision to phase out the test as the right one** in principle and as having had positive impacts for single homeless households.
- 9.19 It is also clear that whilst the phase out has had more challenging impacts – namely increasing demand for temporary accommodation and the share of social housing lets allocated to homeless households – these do not amount to undercutting participant positivity about abolishing Priority Need. There is also a recognition that the impacts on temporary accommodation seen during the phase out could have reduced through more effective prevention and a concerted effort to rapidly rehouse. In the case of social housing allocations, it is worth reinforcing that

participants – including those working in this sector – were supportive and positive about the move away from Priority Need testing. There was very little emphasis amongst participants on the impact of higher allocations to homeless households on ‘residualisation’ or housing management challenges.

- 9.20 It is important to conclude that reforms to the Scottish homelessness legal framework were far from (and never claimed to be) a panacea for effectively tackling homelessness in Scotland, particularly amongst those facing severe and multiple disadvantage alongside homelessness.

### **Objective III. Identify options for change, in relation to the abolition of Priority Need or the extension of Priority Need categories**

- 9.21 The research identified **four main potential future options** for the Priority Need test in Wales; **retain the status quo** (Option 1), a **temporary accommodation duty** for all households (Option 2), an **amendment to Priority Need** groups (Option 3), and the **abolition of Priority Need** (Option 4). In addition to the four main options, two alternatives were suggested by some participants but these received limited support and were discussed in very little detail.
- 9.22 The overarching message from the majority of participants was that the status quo is unjust because some homeless people are turned away with no solution and **‘in an ideal world’ the test would be abolished** **need** participants in this study favoured phasing out the test over a period of 5-10 years. However, most participants argued that this would only be desirable and possible if accompanied by additional housing investment and resources for housing options teams.
- 9.23 In the absence of such investment, participants believed that some form of rationing and prioritisation is required and the Priority Need test is perceived by the majority to **target and provide a safety net for many vulnerable groups** (e.g. 16-17 year olds, families with dependent children, people facing domestic abuse). Yet, perceived weaknesses of the current Priority Need test mean that most participants would like to see at least some form of amendment if the test remains, for example an extension of the Priority Need groups to include three groups in particular; rough sleepers, young people aged under 35, and prison leavers.

9.24 A few research participants argued that the minimum amendment to the legislation should be a **duty to provide temporary accommodation** to all households, irrespective of their Priority Need status, in order to avoid the highly detrimental impacts of sleeping rough or sofa surfing.

9.25 More specific conclusions in relation to each of the potential future options are identified below, with the exception of conclusions relating to *Option 1 (Retain the status quo)* – these have already been presented under Objective I ‘Understanding implementation of the Priority Need test in contemporary Welsh legislation’.

*Option 2: Temporary accommodation duty for all homeless households*

9.26 This potential future option was identified during a workshop with people who had experienced homelessness. This is also a proposal that was previously identified in the literature and to some extent reflects the starting point for change in Scotland, whereby the duty to provide temporary accommodation was extended to all homeless households well before the Priority Need test was abolished. There was no agreement amongst participants in Wales on the **duration of the duty** – proposals included 30 days, 56 days, and an indefinite time period.

9.27 **Key perspectives on this option** include: it would avoid the detrimental impacts of sleeping rough; it would need to be accompanied by more comprehensive suitability standards for temporary accommodation; one participant was concerned that in the absence of a duty to provide settled accommodation, or without a time limit to the duty, it could be detrimental and costly to have many households living in temporary accommodation.

*Option 3: Amend Priority Need*

9.28 An **extensive list of at least 22 additional groups** were proposed, mostly by a single participant. Three groups were far more widely supported; rough sleepers, young people aged under 35, and prison leavers.

9.29 There was considerable support for the inclusion of **rough sleepers** on the basis that rough sleeping does great harm to a person’s health, well-being and dignity. However, there was concern that extending Priority Need to rough sleepers would create a moral hazard – a concern that was similarly raised prior to the abolition of

Priority Need in Scotland. Yet other research participants in Wales pointed out that the legislation in Wales only entitles a household to accommodation likely to be available for six months – so the moral hazard is limited.

- 9.30 According to research participants, the primary concern relating to **young people under the age of 35** is their precarity within the labour and housing markets, particularly in relation to social welfare entitlements. Participants explained that raising the age of young people in Priority Need would also address a current inconsistency between the homelessness legislation and the Social Services and Well-being (Wales) Act 2014.
- 9.31 The majority of participants were in favour of reintroducing **prison leavers** as a Priority Need group, whilst also seeking to ensure that the National Pathway for Homelessness Services to Children, Young People and Adults in the Secure Estate is implemented more effectively. Some participants also proposed that Priority Need status for this particular group should be conditional on effective engagement in prison, although it is unclear why participants thought prison leavers should be subject to enhanced conditionality above other households. This was also the only group that some participants advocated not to be included.
- 9.32 Finally, the following groups were identified by 3-4 research participants as potential additional Priority Need groups; anyone facing exploitation, parents with access to a child but not the main carer, refugees, and people facing violence and abuse.

*Option 4: Abolish Priority Need*

- 9.33 The fourth future option is the **abolition of the Priority Need test**. Many participants from across different sectors were in favour of abolishing the Priority Need test, however most argued that this would only be desirable and possible if accompanied by additional housing investment and resources for housing options teams. This very closely mirrors the viewpoint that prevailed in Scotland prior to the abolition of the Priority Need test, although it seems that in Wales there is wider support behind the principle of abolishing the Priority Need test amongst local authorities than there was in Scotland.

- 9.34 The majority of **participants were in favour of a phased approach**, rather than an abrupt approach, to abolition. Participants suggested a phased approach might: include a lead in time, allow local authorities and their partners to develop and commission services and to begin to work in the spirit of the law; and it might potentially include a pilot of the changes. There were few concrete opinions on whether to introduce different population subgroups over time or extend Priority Need to different age groups.
- 9.35 In relation to the **time period** of a phased abolition, few participants suggested a period of abolition that was less than a year or greater than 10 years. There seemed to be a fairly equal split in favour of 10 year, 5 year, and less than 5 year (but greater than 1 year) timeframes.
- 9.36 There was broad support for a **nationally driven process** of abolition, rather than an approach whereby local authorities have autonomy to decide which groups to extend Priority Need to. Only a few respondents supported the approach taken in Scotland, whereby local authorities had autonomy to decide which groups to extend Priority Need to as they worked towards abolition of the Priority Need test. One participant suggested a **compromised approach**, whereby Welsh Government would stipulate minimum expectations and local authorities would have the power to extend the list as they work towards eventual abolition of Priority Need.
- 9.37 Three main **potential positive impacts** of the abolition of the Priority Need test were identified by participants: all individuals would be owed a duty by local authorities to secure accommodation; services would be more focused on identifying the needs of individuals and finding solutions; and there would be a significant reduction in resources spent assessing and challenging Priority Need decisions. Additionally, it might drive other positive actions: local authorities might make more housing available, innovate in services, and enhance prevention efforts.
- 9.38 Very many **potential negative impacts** of abolishing Priority Need were identified: an increase in people temporarily accommodated for long periods of time in potentially unsuitable and expensive accommodation; disengagement of some households from the system due to long waits; increased demand on local housing markets and local authority resources, particularly Housing Options teams; it may



drive 'gaming' within the system; other forms and mechanisms of exclusion and prioritisation may emerge; support for vulnerable households currently in Priority Need may be diluted; households may be disincentivised from seeking help earlier or from engaging meaningfully in prevention support; and it may detrimentally impact on the engagement of allied services such as health, criminal justice and social care because responsibility is devolved to housing.

- 9.39 In order to inform impact modelling, participants were also asked to comment on the likely **impacts on the number of households** who would be owed a final duty under the homelessness legislation. The clear conclusion is that the total number will be greater than the number of households currently recorded as non Priority Need in Official Statistics.

*Additional options for Priority Need in Wales*

- 9.40 It is important to note that participants were given the chance to identify additional options for Priority Need in Wales. The most notable alternative suggestion, albeit it received very limited support, was to extend the duration of the Section 73 duty beyond 56 days, allowing local authorities to continue working with non Priority Need households for longer.

**Objective IV. Examine key issues in the implementation processes associated with possible changes to Priority Need**

- 9.41 The research explored the perceived barriers and enablers to effective implementation of any changes to the Priority Need test. Participants talked at length about these wider system challenges. Importantly, many of the issues identified also apply to the current system (e.g. lack of suitable housing supply).
- 9.42 A clear message emerged from research participants that effective implementation of potential legislative changes, and current legislation, requires improved **buy-in and leadership** at national and local government levels. At Welsh Government level there was a perceived need for the Housing Minister to hold colleagues in other portfolios to account (e.g. health), and to drive both cross-departmental working and connect up different actions within the housing portfolio (e.g. affordable housing and homelessness). There was a desire for local leadership to be universally supportive of the intentions and values of the legislation.

- 9.43 **Resources** were at the forefront of participants' concerns relating to the effective implementation of both the current legislation and any possible future changes to Priority Need. The worry amongst participants was that already over-stretched local authority services may be entirely over-burdened by any changes. According to participants, new resources would need to be available on a reliable long-term basis, and potentially ring-fenced.
- 9.44 **Housing issues** dominated participant discussions about the perceived barriers and enablers of any possible future changes to the Priority Need test. Key concerns identified by participants included: an insufficient supply of good quality temporary accommodation; a need to move towards rapid rehousing in order to avoid long stays in potentially unsuitable temporary accommodation; the potential for additional Priority Need groups to be phased in alongside a commensurate programme of affordable housing development, particularly in relation to single person and shared accommodation, built in the right locations; a planning process that enables the delivery of affordable housing; allocation policies and practices that no longer exclude households outright (e.g. past rent arrears and debt) or *de facto* (through unfavourable banding); a Private Rented Sector that is more secure, affordable and of better quality; and more extensive specialist and supported accommodation, which includes but is not limited to Housing First.
- 9.45 Research participants also viewed **Social welfare policy** as a barrier to the effective implementation of current homelessness legislation and any potential future amended legislation. According to participants, current barriers are thought to include: housing benefit levels that have not risen in line with rising private rents; affordability and housing availability issues that result from restrictions on the amount of housing benefit available to single person households under the age of 35; the hurdles of securing direct payments to landlords for recipients of Universal Credit; and the 'bedroom tax', which makes under-occupancy of a property financially unsustainable. Participants also identified the need to consider how those with **no recourse to public funds** can be assisted.
- 9.46 **Homelessness service** concerns identified by research participants focused on two service areas. First, there was a perceived need for more effective housing

related support. Housing related support services were reportedly having to fill gaps left by the retrenchment of statutory care services; commissioning of housing related support was perceived to be inconsistent and should reportedly be more trauma-informed; and housing related support was thought to be particularly deficient in the PRS. Some participants proposed a duty to assess and meet support needs, essentially making housing related support services a statutory requirement. Second, in relation to Housing Options, participants suggested: services should be more trauma-informed; there should potentially be a separation of the tasks of delivering Housing Options services and the decision-making process about any entitlement; and there is a need to more effectively manage service user expectations.

- 9.47 Participants felt strongly that **the workforce** will play a key role in any future changes to the Priority Need test in Wales. There has reportedly been a high rate of staff turnover in recent years in local authority Housing Options teams and it was suggested this has resulted in limited knowledge and experience in some places. It was claimed the drivers behind this trend include; low pay, lack of opportunities for progression, redeployment from other redundant roles within councils, and the changing nature of the role(s) subsequent to the commencement of the HWA 2014. Hence, there was considerable support for greater investment in the workforce in terms of staff pay, ongoing training, and access to clinical supervision.
- 9.48 A strong message emerged from participants in the research – any changes to the Priority Need test should be accompanied by **renewed investment in homelessness prevention** because enhanced prevention efforts would reportedly reduce the demands on crisis-focused housing provision and staff resources will be reduced. Examples of some of the specific suggested improvements to prevention efforts included: improved consistency in prevention activities and outcomes between local authorities; ending evictions into homelessness from the social rented sector and reducing them from the PRS; and potential use of legislation to drive more effective engagement of public services (e.g. health) in the prevention of homelessness (e.g. a duty to refer and a duty to take steps to prevent).

- 9.49 **Collaboration** and collective action across service areas at national and local scales was also widely cited as a key enabler of any amendments to the Priority Need test. Participants were very clear that including additional groups such as rough sleepers or prison leavers in Priority Need, or abolishing Priority Need, would result in more households with high support needs being assisted. Hence participants believed that legislative change would only be effective if there was more effective collaboration with services such as health (particularly mental health), prisons, probation, and substance misuse services. Whilst pockets of seemingly effective collaboration were acknowledged, according to participants there must reportedly be improved alignment and collective action across service areas at Welsh Government and local authority levels.
- 9.50 Participants were of the view that **public perception** is likely to be somewhat of a barrier to change. Participants explained that the media can support the public to develop a better understanding of homelessness, people's entitlements and where to seek help, whilst also having a role to play at national and local levels in addressing public resistance to change.
- 9.51 **Legislation, monitoring and scrutiny** are closely related issues that will reportedly be fundamental to enabling potential future change. Proposed enablers of change identified by participants included: less bureaucracy; greater scrutiny of local authority practices (e.g. a regulator or ombudsperson, co-location of Shelter Cymru in homelessness services, nation-wide roll-out of Take Notice, and improved homelessness data); and a legislated Right to (Adequate) Housing. More specifically, one participant explained that the abolition of Priority Need would potentially impact on the structure of the HWA 2014. However, there was concern that any amended legislation should not put households in a weaker position nor should there be an erosion of options available to local authorities. Finally, irrespective of any amendment to Priority Need, there is a proposal to extend the definition of 'threatened with homelessness' beyond 56 days. Whilst some participants favoured not using a time period within the definition, others recommended any revised definition should align with Welsh Government's proposed new timeframe for a no-fault eviction notice (i.e. 6 months).

## **Objective V. Explore the wide range of possible impacts of any changes to the Priority Need test**

- 9.52 The final research task was to estimate the quantitative impacts of the four main potential future options for Priority Need in Wales. While a wide set of possible areas of impact were considered in the model, quantifying the entire set of costs, financial benefits and welfare gains for beneficiaries exceeded the scope of this research project. The impact modelling was limited in three main ways. First, while a wide set of areas of impact were considered in the model, quantifying the entire set of costs, financial benefits and welfare gains exceeded the scope of this research project (e.g. potential additional spending on the construction of social housing was not modelled). Second, the modelling could not provide estimates of impacts on housing related support costs. Third, the modelling assumed current costs (e.g. workforce costs) are sufficient to meet current demand, yet research participants suggested this is not the case in some local authorities and so these costs may be an under-estimate.
- 9.53 Hence, this study presents a set of estimates of expected additional effects on key areas rather than net total benefits of the potential future options, and caveats about costs that have not been modelled must be taken into account when interpreting the findings.
- 9.54 The impacts of four main potential future options for Priority Need in Wales were modelled<sup>30</sup>, including alternative scenarios for options 3 and 4:

**Option 1** - The status quo provided the baseline for impact estimates, with additional costs and savings then estimated for the other three main potential future options.

**Option 2** – Extension of the right to temporary accommodation (TA) to all households currently assessed as not in Priority Need.

**Option 3** – Amend Priority Need categories to include the three groups most widely supported for inclusion; rough sleepers, applicants under 35, and prison leavers. To enable Welsh Government to understand the potential impacts of including any one

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<sup>30</sup> The full methodology can be found at Annex E.

of these additional groups, or a combination of all three, option 3 includes the following alternatives:

- 3a – Rough sleepers will start to be assessed as in Priority Need in year 1, applicants under the age of 35 in year 3, and prison leavers in year 5;
- 3b – Rough sleepers will start to be assessed as in Priority Need in year 1;
- 3c – Prison leavers will start to be assessed as in Priority Need in year 1; and
- 3d – Applicants under the age of 35 will start to be assessed as in Priority Need in year 1.

**Option 4** – Abolition of the Priority Need test. Recognising the split in opinion regarding 5 or 10 year phasing, Option 4 includes the following alternatives:

- 4a – Abolition over five years. The Priority Need test will be abolished for rough sleepers the first year, applicants under 35 in the second year; prison leavers the third year, and all the remaining groups the fifth year; and
- 4b – Abolition over ten years. The Priority Need test will be abolished for rough sleepers the first year, applicants under 35 in the fourth year, prison leavers the seventh year, and all the remaining groups the tenth year.

9.55 Tables 17 and 18 draw together the findings across all the areas of impact explored in this study for each of the potential future options. Table 17 summarises impacts on additional numbers of households that would be in Priority Need under the different options and the additional staff requirements. Table 18 summarises all of the estimated financial impacts. **Annual average estimates** of the expected impacts over the course of 20 years are provided. Notably, estimates are at the national level but these **effects will vary across local authorities**. All estimates are **additional to households and costs under Option 1 – the status quo**.

9.56 The analysis is based on data provided by **14 out of the 22 local authorities** as well as Official Statistics available on StatsWales. To replace missing data, weighted averages were used that take into consideration different levels of demand for homelessness services across local authorities.

**Table 17. Summary of estimated impacts of future Priority Need options (additional households and staff)**

Area of Impact	Option 2 (TA duty)	Option 3 <sup>31</sup> (Amend)				Option 4 <sup>32</sup> (Abolish)		
		3a (All)	3b (RS)	3c (PL)	3d (U35)	4a (5yr)	4b (10yr)	
Annual additional households in Priority Need	1,989	1,485	178	537	1,168	1,989	1,669	
Annual additional households offered secure accommodation	LA	0	195	26	72	157	268	225
	RSL	0	727	87	246	581	980	822
	PRS	0	185	19	75	139	244	204
	Total	0	1,107	132	393	877	1,492	1,251
Total additional Housing Options staff (FTE)	0	135	15	54	103	177	149	

Source: Alma Economics modelling

<sup>31</sup> All = amend Priority Need to include rough sleepers, prison leavers, and applicants under 35 years old; RS = Rough Sleepers only; PL = Prison Leavers only; U35 = applicants under 35 years old only.

<sup>32</sup> 5yr = abolition over the course of five years; 10yr = abolition over the course of ten years.

**Table 18. Summary of estimated impacts of future Priority Need options (additional costs in £)**

Area of Impact (Annual average)	Option 2 (TA duty)	Option 3 (Amend)				Option 4 (Abolish)	
		3a (All)	3b (RS)	3c (PL)	3d (U35)	4a (5yr)	4b (10yr)
Cost of additional demand for TA	896,391	1,254,559	157,794	541,523	949,565	1,691,304	1,368,416
Additional cost of securing accomm.	0	28,638	3,434	10,531	23,289	38,904	31,617
Additional housing benefit expenses	0	3,403,543	417,096	1,233,024	2,776,358	4,635,924	3,767,961
Savings from reduced outreach and other services (e.g. health) use	157,794	3,789,459	827,396	1,230,180	2,720,459	4,970,636	4,119,384

Source: Alma Economics modelling

- 9.57 It should be noted that these financial benefits are **additional** costs on top of the running costs of the existing system. This research highlights that current funding may not be sufficient to achieve its aims and due to the number of unknowns the modelled costs do not take this into account.
- 9.58 To enable comparison and for clarity of message, the potential impacts identified in Table 15 assume that all costs/impacts are experienced evenly across the implementation period, yet this will not be the reality. For example, different groups entering the Priority Need test in different years would result in varied levels of demand over time. This uneven impact over time is referred to as a dynamic impact.
- 9.59 In order to **illustrate the dynamic impacts** of potential changes to the Priority Need test, the research considered the likely dynamic impacts of abolishing Priority Need over a 5 year period (Option 4a). This option was selected simply because it is expected to entail the highest additional costs as well as the largest benefits. Key findings include:



- The number of additional households assessed as in Priority Need will increase over the five-year implementation period, from 135 additional households in 2024/25, stabilising at around 2,200 households per year from 2028/29.
- The additional cost for covering additional demand **for temporary accommodation** is expected to be equal to £180,000 in 2024/25 if the test were only abolished for rough sleepers. This cost would increase to approximately £1.6 million after homelessness applicants under 35 are added to the Priority Need groups the following year. The abolition of the test for prison leavers is estimated to result in additional costs rising to £2.2 million in 2026/27, while the abolition for all the remaining groups will cause additional costs to increase to a total of approximately £3 million by 2028/29.
- Around 100 additional households will be offered **access to long-term housing** in 2024/25 while the number of additional households moving to secure housing is expected to rise to around 900 following the abolition of the test for homeless applicants under the age of 35 in 2025/26. Following full implementation of the abolition, demand for suitable, long-term accommodation is expected to rise to 1,600 new households per year from 2028/29.
- In the **first year** of implementing option 4a (abolition of Priority Need over 5 years), around **£1 million** in savings is expected to flow from reduced use of **outreach services** by rough sleepers and reduced use of **wider services** (physical and mental health, substance misuse, and criminal justice) by both rough sleepers and other homeless households<sup>33</sup>. Savings after **five years** in 2028/29 will rise to approximately £9 million.

9.60 The dynamic effects of any policy change over the first years following implementation are expected to differ depending on **the order in which different Priority Need groups are added**. For example, if rough sleepers become eligible for the full housing duty first, applicants under 35 second, and prison leavers third, the net additional cost for covering new demand for temporary accommodation is estimated at around £0.18 million in 2024/25. If it is instead assumed that the test is

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<sup>33</sup> Based on assumptions set out in report by Price Waterhouse Cooper (2018 Assessing the costs and benefits of Crisis' plan to end homelessness).

abolished first for applicants under 35, second for rough sleepers and third for prison leavers, the additional temporary accommodation cost will rise to £1.4 million in the first year (2024/25). While the dynamic effects will vary in the early stages of the rollout, the total effects over the 20-year appraisal period are not expected to change substantially.

- 9.61 This study has provided new insights into the estimated impacts of the potential future options for Priority Need in Wales. Whilst a wide range of impacts are considered in the model, quantifying the entire set of costs, financial benefits and welfare gains exceeded the scope of this research project. Hence, these findings must be interpreted and used carefully, acknowledging the methodological limitations (set out in Annex E) and the costs that the study has not been able to model.

### **Summary**

- 9.62 The HWA 2014 markedly reduced the significance of the Priority Need test within Welsh homelessness legislation. However, for a significant minority of households, homelessness is unsuccessfully relieved and in these cases the Priority Need test continues to play an important role in determining which households must be accommodated. Hence, Welsh Government commissioned this study to explore potential future options for the Priority Need test in Wales. This short summary distils the key messages emerging from the study.
- 9.63 Concerns about the Priority Need test in its current form are widespread amongst research participants and these strongly echo concerns that drove legislative changes in Scotland. The majority of participants perceive that the status quo is unjust because some homeless people are turned away with no solution and ‘in an ideal world’ the test would not be needed. However, if no new resources are made available for services and insufficient new social housing is delivered, some form of rationing and prioritisation is thought to be required and the Priority Need test is perceived by the majority to target and provide a safety net for many vulnerable groups (e.g. 16-17 year olds, families with dependent children, people facing domestic abuse). Yet, perceived weaknesses of the current Priority Need test mean

that most participants would like to see at least some form of change, for example an extension of the Priority Need groups.

- 9.64 Many participants from across different sectors are in favour of abolishing the Priority Need test and there is particular support to extend Priority Need to initially include rough sleepers, young people under 35, and to a lesser extent prison leavers. The positive impacts on single person households in Scotland are clear and participants in Wales generally wish to see this achieved in Wales. However, pursuing these potential future options raises fears about over-stretched local authority resources, impacts on temporary accommodation use and a lack of social housing. Just like Scotland, a minority fear a floodgate scenario. Usefully, the impact modelling in this report provides estimates of the likely scale of impacts in key areas relating to new demand, additional staff resources, and additional housing supply, including temporary accommodation. Importantly, there are also likely to be cost-savings resulting from reduced use of other services (e.g. health). Limitations of the impact modelling must also be taken into account, given that many costs (e.g. those associated with construction of social housing, enhanced homelessness prevention services, housing related support services etc) could not be included in the impact modelling exercise.
- 9.65 Nevertheless, the message from participants in Wales and lessons from the Scottish experience are unambiguous that amending or abolishing the Priority Need test alone would be insufficient. Effective implementation of any change will be dependent on going beyond additional supply of social housing and funding new staff in local authorities. There reportedly needs to be renewed investment in prevention and a shift towards rapid rehousing to reduce temporary accommodation use. Additionally, there are calls for investment in the workforce and a shift towards more trauma-informed practice and commissioning from participants. Moreover, there is perceived to be a fundamental need to ensure homelessness is seen as everyone's business and collaboration with other service areas such as health will be crucial. Finally, learning lessons from the implementation of the HWA 2014, there will also need to be more effective monitoring and scrutiny of those charged with delivering change.

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## Annex A. Phase One Sector Workshop Agenda

### Review of the Priority Need Test within homelessness legislation in Wales

#### Sector Workshop guidance Notes

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#### Breakout discussions: Priority Need in Wales today

- i. **Welcome everyone**, introduce yourself, and remind participants of the questions to be explored in the session.
- ii. What are the **strengths and weaknesses** of how the Priority Need test is currently being implemented?
- iii. How is the **Vulnerability Test** interpreted/implemented across Wales? Is the test and associated guidance fit for purpose?
- iv. If a household is assessed as Priority Need, to what extent does this result in a **suitable outcome** for the household? Why?
- v. Any **other comments**?

#### Breakout discussions: Exploring future options for Priority Need in Wales

- i. **Welcome everyone back** and remind participants of the questions to be explored in the session.
- ii. Should the Priority Need test be **retained in its current form**? Why/why not?
- iii. Should the Priority Need test be **amended** to include different categories? Why/why not?
  - a] If it were to be amended what categories of person should be included or excluded and why? Should the definition of vulnerability be amended? If so, how and why? If not, why not?
- iv. Should the Priority Need test be **abolished**? Why/why not?
  - a] If it were to be abolished should there be a phased or abrupt approach to abolition? Why?
  - b] If a phased approach is supported, what would be the ideal timescale? How would a phased approach be implemented (e.g. particular subgroups first (which?), at the discretion of the local authority or determined by Welsh Government?
- v. Do you have any **other views** on future options for the Priority Need test in Wales?

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**Thank you for taking part in this workshop.**

## **Annex B. Local and national stakeholder interviews in Wales questions**

### **Review of the Priority Need Test within homelessness legislation in Wales**

#### **Stakeholder Interview**

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Welsh Government has commissioned a review of the Priority Need test within the Housing (Wales) Act 2014. The review is being led by Peter Mackie of Cardiff University and the review team includes colleagues from Heriot-Watt University (Beth Watts, Hal Pawson), Wrexham Glyndwr University (Iolo Madoc-Jones, Caroline Hughes), Cardiff Metropolitan University (Helen Taylor), Independent Consultants (Tim Gray and Tamsin Stirling), and Alma Economics.

The review aims to understand how the Priority Need test is being implemented in Wales today, explore future potential options for change, investigate the possible impacts of any changes, and examine implementation issues associated with any changes.

A vital component of the review is to gather the perspectives of key informants from across the housing and homelessness sector in Wales. We would value your views on these key questions and invite you to participate in an interview. A Privacy Notice for these interviews accompanies this document.

Please read the enclosed study information sheet and consider whether you would like to participate. Your answers will be confidential and anonymised in research reports and papers. If you are willing to undertake an interview, please sign and return the consent form. The interview will explore the following questions:

#### **1] Understanding implementation of the Priority Need test in Wales today**

- vi. Do you think the Priority Need test is a good way of determining who should be entitled to the main (Section 75) rehousing duty? Why? Why not?
- vii. What are the strengths and weaknesses of how the Priority Need test is currently being implemented?  
*e.g. For different subgroups of homeless households, local authorities, RSLs, third sector etc*
- viii. Is the Priority Need test understood and applied consistently in your area and across Wales?  
*e.g. Are the different categories of Priority Need understood and applied consistently? How does practice differ? What is the effect of this on the assistance provided? How might inconsistencies be reduced?*
- ix. How is the Vulnerability Test interpreted/implemented across Wales? Is the test and associated guidance fit for purpose?

- x. To what extent does Priority Need determine whether a household is offered interim accommodation?
- xi. What are the **strengths and weaknesses** of how the local connection test is being implemented?
- xii. What are the main **barriers and enablers** affecting the implementation of Priority Need? And, in relation to barriers, how might these be overcome? For example, these may relate to...
  - Social Welfare (e.g. LHA rates, universal credit etc)
  - Local housing markets (e.g. PRS availability, affordability, or security; Social housing availability or affordability etc)
  - Wider housing policy (e.g. levels of investment in new social housing, rent policy etc)
  - Collaboration within the homelessness sector and with other sectors/services
  - National and local level resources
  - Awareness of, and access to, housing and non-housing related services
  - Buy-in and leadership
  - Staff skills and training
  - Monitoring and data sharing
  - Legislation, guidance and regulatory oversight
- xiii. If a household is assessed as Priority Need, to what extent does this result in a suitable outcome for the household?

## 2] Exploring options for change and their possible impacts

### 1 – Retaining the status quo

- i. Should the Priority Need test be retained in its current form? Why/why not?

### 2 – Amending Priority Need

- i. Should the Priority Need test be **amended** to include different categories? Why/why not? If it were to be amended...  
*What categories of person should be included or excluded and why? Should the definition of vulnerability be amended? If so, how and why? If not, why not?*
- ii. In broad terms, what are the **advantages and disadvantages** of amending Priority Need in this way?  
*e.g. Who wins and loses?*
- iii. What would be **the likely impacts** (positive and negative) of amending the Priority Need test in this way?

- iv. More specifically, what would be the likely impacts (positive and negative) in relation to the following?
- a] *The lives of homeless people (perhaps specific subgroups)*
  - b] *Housing Options teams (financial resources, staffing etc)*
  - c] *Demand for housing (temporary, interim and settled accommodation)*
  - d] *RSLs (Waiting lists, allocations policies)*
  - e] *Housing-related support*
  - f] *Other service providers (police, social services, health)*
- v. What would be the likely consequences for other aspects of the legislation?  
*E.g. local connection, intentionality, Part 6 of the Housing Act 1996 relating to allocations and reasonable preference, statutory guidance etc*
- vi. Would there be any **wider impacts** of amending the Priority Need test that we haven't discussed yet?  
*e.g. On the policy and practice focus on homelessness prevention? Public/media response?*
- vii. What would be the **main barriers and enablers** for implementation of an amendment to Priority Need? And, in relation to barriers, how might these be overcome? For example, these may relate to...
- Social Welfare (e.g. LHA rates, universal credit etc)
  - Local housing markets (e.g. PRS availability, affordability, or security; Social housing availability or affordability etc)
  - Wider housing policy (e.g. levels of investment in new social housing, rent policy etc)
  - Collaboration within the homelessness sector and with other sectors/services
  - National and local level resources
  - Awareness of, and access to, housing and non-housing related services
  - Buy-in and leadership
  - Staff skills and training
  - Monitoring and data sharing
  - Legislation, guidance and regulatory oversight

### 3 – Abolishing Priority Need

- i. Should the Priority Need test be **abolished**? Why/why not? If it were to be abolished... *Should there be a phased or abrupt approach to abolition? Why? If a phased approach was supported, what would be the ideal timescale? How would a phased approach be implemented (e.g. particular subgroups first (which?), at the discretion of the local authority or determined by Welsh Government?*

- ii. In broad terms, what are the **advantages and disadvantages** of abolishing Priority Need?  
*e.g. Who wins and loses?*
- iii. What would be **the likely impacts** (positive and negative) of abolishing Priority Need?
- iv. More specifically, what would be the likely impacts (positive and negative) in relation to the following?
- a] The lives of homeless people (perhaps specific subgroups)*
  - b] Housing Options teams (financial resources, staffing etc)*
  - c] Demand for housing (temporary, interim and settled accommodation)*
  - d] RSLs (Waiting lists, allocations policies)*
  - e] Housing-related support*
  - f] Other service providers (police, social services, health)*
- v. What would be the likely consequences for other aspects of the legislation?  
*E.g. local connection, intentionality, Part 6 of the Housing Act 1996 relating to allocations and reasonable preference, statutory guidance etc*
- vi. Would there be any **wider impacts** of abolishing Priority Need that we haven't discussed yet?  
*e.g. On the policy and practice focus on homelessness prevention, Public/media response?*
- vii. What would be the **main barriers and enablers** for implementation? And, in relation to barriers, how might these be overcome? For example, these may relate to...
- Social Welfare (e.g. LHA rates, universal credit etc)
  - Local housing markets (e.g. PRS availability, affordability, or security; Social housing availability or affordability etc)
  - Wider housing policy (e.g. levels of investment in new social housing, rent policy etc)
  - Collaboration within the homelessness sector and with other sectors/services
  - National and local level resources
  - Awareness of, and access to, housing and non-housing related services
  - Buy-in and leadership
  - Staff skills and training
  - Monitoring and data sharing
  - Legislation, guidance and regulatory oversight

#### **4 - Alternative options for change**

- i. We have talked about retaining the status quo, amending the groups deemed to be in Priority Need, and abolishing the test altogether. Do you have any other views on future options for the Priority Need test in Wales, and the likely impacts of that course of action?

#### **3] Any additional comments**

- i. Do you have any other comments you would like to make about the future of the Priority Need test?

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**Thank you for completing this interview.**

## **Annex C. Phase Three Sector Workshop Agenda**

### **Review of the Priority Need Test within homelessness legislation in Wales**

#### **Sector Workshop guidance Notes**

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PART 1 Breakout discussions: Validating the future options and exploring potential impacts

#### **Validating the options**

1. Do you think these reflect the main potential future options for the future of Priority Need?
2. Would you add any core or optional components to the future options?

#### **Exploring impacts on the number and characteristics of additional homeless people who will be assisted under abolition**

3. Will the additional households who need assistance and accommodation be MORE or LESS than those currently Not in Priority Need? Please explain WHY and try to estimate/be specific about the scale of any difference? (e.g. Households who don't currently apply because they think they'll be non PN; Households who withdraw at S73; perhaps the number will be lower because many Non Priority Need households get housed already)

PART 2 Breakout discussions: Exploring the main barriers and enablers for implementation

#### **Exploring what needs to be in place to enable the abolition of Priority Need**

4. What needs to be in place to enable an amendment or abolition of Priority Need?
  - a] Prevention action
  - b] Housing (size, provider, allocation policies)
  - c] Services (Housing Options staff, Training, Collaboration with other services, housing-related support)
  - d] Other (Challenge and scrutiny, advocacy, public perception)

#### **5. Any other comments/thoughts?**

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**Thank you for taking part in this workshop.**

## **Annex D. Local authority stakeholder data survey**

The local authority data survey was undertaken using an Excel data collection sheet. The following questions were included:

### **Households assessed as eligible, homeless and not in priority need after the end of relief duty (s. 73)**

- 1** In 2017/18 and 2018/19, how many of the households assessed as eligible, homeless, and not in priority need after the end of the relief duty (s. 73) were under 35 years old (i.e. the main applicant was under 35 years old)?
- 2** In 2017/18 and 2018/19, how many of the households assessed as eligible, homeless, and not in priority need after the end of the relief duty (s. 73) were prison leavers?
- 3** In 2017/18 and 2018/19, how many of the households assessed as eligible, homeless, and not in priority need after the end of the relief duty (s. 73) were sleeping rough when they applied for homelessness services?
- 4** In 2017/18 and 2018/19, how many of the households assessed as eligible, homeless and not in priority need after the end of the relief duty (s. 73) who were under 35 years old (i.e. the main applicant was under 35 years old) were prison leavers?
- 5** In 2017/18 and 2018/19, how many of the households assessed as eligible, homeless and not in priority need after the end of the relief duty (s. 73) who were under 35 years old (i.e. the main applicant was under 35 years old) were sleeping rough when they applied for homelessness services?
- 6** In 2017/18 and 2018/19, how many of the households assessed as eligible, homeless, and not in priority need after the end of the relief duty (s. 73) who were prison leavers, were sleeping rough when they applied for homelessness services?

### **Single Person Households assessed as eligible, homeless and subject to duty to help to secure accommodation (s. 73) who were unsuccessfully relieved**

- 7** In 2017/18 and 2018/19, how many of the single person households assessed as eligible, homeless, and subject to duty to help to secure accommodation (s. 73) that were unsuccessfully relieved did not proceed with the s.75 assessment (i.e. they did not go on to have a priority need/non priority need decision)?
- 8** In 2017/18 and 2018/19, how many of these households were under 35 years old (i.e. the main applicant was under 35 years old)?
- 9** In 2017/18 and 2018/19, how many of these households were prison leavers?
- 10** In 2017/18 and 2018/19, how many of these households were sleeping rough when they applied for homelessness services?



### **Repeat homelessness**

- 11 In 2017/18 and 2018/19, what percentage of all homelessness applications were repeat homelessness applications (i.e. they had previously applied as homeless or at risk of homelessness)?

### **Households assessed as eligible and threatened with homelessness (s.66) that received unsuccessful prevention services**

- 12 In 2017/18 and 2018/19, how many of the households assessed as eligible and threatened with homelessness (s. 66) that received unsuccessful prevention services were prison leavers?

### **Temporary accommodation for households in priority need (s.75)**

- 13 In 2017/18 and 2018/19, what was the average length of stay in all types of temporary accommodation?
- 14 In 2017/18 and 2018/19, how many households assessed as in priority need (s.75) were offered temporary/interim accommodation in the same year?

### **Securing accommodation for households in priority need (s. 75)**

- 15 In 2018/19, how many of the households in priority need (s. 75) that were positively discharged were offered secure accommodation in housing owned by the local authority?
- 16 In 2018/19, how many of the households in priority need (s. 75) that were positively discharged were offered secure accommodation in housing owned by RSLs?
- 17 In 2018/19, how many of the households in priority need (s. 75) that were positively discharged were offered secure accommodation in the private rented sector?

### **Temporary accommodation (s.68)**

- 18 In 2017/18 and 2018/19, what was the net spend on temporary accommodation (s.68)?

### **Securing suitable accommodation**

- 19 In 2017/18 and 2018/19, what was the net spend on securing accommodation for households in priority need (s.75) - e.g. rent, deposit payments, rent arrears payments?
- 20 In 2018/19, how many FTE staff members worked in securing accommodation for households in priority need (s. 75) by grade?

### **Rough sleeping services**

- 21** In 2017/18 and 2018/19, how much was spent in total on services for rough sleepers (including outreach and other services and excluding costs of services reported in the questions above)?
- 22** In 2017/18 and 2018/19, how much was spent on the following services for rough sleepers: Outreach and multi-disciplinary teams?
- 23** In 2017/18 and 2018/19, how much was spent on the following services for rough sleepers: Cold Weather Provision?
- 24** In 2017/18 and 2018/19, how much was spent on the following services for rough sleepers: Emergency Overnight Stay provided to rough sleepers via Outreach Teams?
- 25** In 2017/18 and 2018/19, how much was spent on the following services for rough sleepers: other types of emergency accommodation provided to rough sleepers via Outreach Teams (i.e. portal cabins)?
- 26** In 2017/18 and 2018/19, how much was spent on the following services for rough sleepers: Housing First Scheme?
- 27** In 2017/18 and 2018/19, how much was spent on the following services for rough sleepers: any other service for rough sleepers funded by the LA (e.g. Day Centres, Breakfast Run, etc.)?
- 28** In 2018/19, how many FTE staff members worked in LA rough sleeping services delivery by grade?

## **Annex E. Detailed impact modelling methodology**

### **Modelling the potential impacts of change**

9.66 This annex provides a detailed description of the modelling methodology used to estimate the impacts of the potential future options for the Priority Need test in Wales. It should be noted that this research was undertaken prior to the Covid-19 pandemic and associated lockdown. Therefore, the analysis does not take into account changes to homelessness policies or interventions, or the potential economic fallout. The annex describes: the options that were modelled; the assumptions made; the key areas of impact considered during the modelling exercise; the modelling strategy; cost estimate assumptions and methods; and the approach to financial benefits estimates.

### **Modelled options**

9.67 Chapter 6 identifies the potential future options for change. Therefore, the impact modelling estimates the costs and benefits flowing from these potential future options:

- Option 1 – The status quo provided the baseline for impact estimates, with additional costs and savings then estimated for the other three main potential future options.
- Option 2 – Extension of the right to temporary accommodation to all households currently assessed as not in Priority Need. This option reflects a milder reform not requiring any amendments in the Priority Need test but offering the right to temporary accommodation to all households assessed as eligible and homeless.
- Option 3 – Amendments to the Priority Need categories to include the three groups most widely supported for inclusion by participants; rough sleepers, applicants under 35, and prison leavers. To enable Welsh Government to understand the potential impacts of including any one of these additional groups, or a combination of all three, option 3 included the following alternatives:
  - 3a – Rough sleepers will start to be assessed as in Priority Need in year 1, applicants under the age of 35 in year 3, and prison leavers in year 5;
  - 3b – Rough sleepers will start to be assessed as in Priority Need in year 1;

3c – Prison leavers will start to be assessed as in Priority Need in year 1; and

3d – Applicants under the age of 35 will start to be assessed as in Priority Need in year 1.

- Option 4 – Abolition of the Priority Need test. Recognising the fairly equal split in participant opinion regarding 5 or 10 year phasing of the abolition of the Priority Need test, Option 4 includes the following alternatives:

4a – Abolition over the course of five years. The Priority Need test will be abolished for rough sleepers the first year, applicants under the age of 35 the second year, prison leavers the third year, and all the remaining groups the fifth year, and

4b – Abolition over the course of ten years. The Priority Need test will be abolished for rough sleepers the first year, applicants under 35 years old the fourth year, prison leavers the seventh year, and all the remaining groups the tenth year.

### **Key areas of impact**

9.68 As more households will be eligible for services under Section 75 (or any new framing of the duty to secure), following a change in the Priority Need test, demand for temporary accommodation and suitable housing offered by local authorities is expected to increase. Moreover, there are expected to be savings as a result of households exiting homelessness and rough sleeping, hence requiring fewer services such as health and criminal justice.

9.69 The following areas of impact were included in the analysis:

- Demand for temporary accommodation;
- Cost of covering temporary accommodation needs (assuming that local authorities use the same broad mix of temporary accommodation types e.g. B&B, housing offered by RSLs, etc);
- Demand for suitable accommodation offered by local authorities under full housing duty (assuming the same mix of accommodation types as available currently e.g. houses owned by local authorities, RSLs, and private landlords);

- Costs of providing services to secure suitable accommodation including rent, deposit, and rent arrears payments;
- Staffing resources for providing services to households in Priority Need mainly including Housing Options staff – it was assumed that current staff are just about sufficient to cover current levels of demand<sup>34</sup>, and proportionately more staff will be needed if demand increases;
- Cost of housing benefit awarded to households being offered suitable accommodation by local authorities – distinguishing between housing benefit in the private and the social rented sectors (this impact would fall on UK Government);
- Savings from outreach services provided to people who sleep rough e.g. Cold Weather Provision, Emergency Overnight Stay or other types of emergency accommodation offered via Outreach Teams, and other services such as Day Centres, breakfast runs, etc; and
- Savings from wider costs associated with rough sleeping and homelessness, including drug and alcohol treatment, NHS, mental health services as well as contacts with the criminal justice system (savings to the criminal justice system would lie with UK Government).

9.70 Estimates of the effects of the suggested change in policy in these key areas are produced at the local authority level and are then aggregated to arrive at national figures. The analysis is based on primary data collected by local authorities using a survey<sup>35</sup> as well as Official Statistics available on StatsWales.

### **Modelling strategy**

9.71 A simulation model was developed to estimate changes to the number of households being owed the Section 75 duty (duty to secure accommodation) across local authorities under the different options for reforming of the Priority Need test.

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<sup>34</sup> However, this particular assumption should be seen as a conservative estimate given research participant concerns about the sufficiency of current staffing of Housing Options teams.

<sup>35</sup> The analysis is based on data provided by 14 out of the 22 local authorities. To replace missing data, weighted averages were used that take into consideration different levels of demand for homelessness services across local authorities.

- 9.72 The households that will benefit from amending the Priority Need test are those that are currently assessed as not in Priority Need following the end of the Section 73 relief duty (duty to help to secure accommodation). Based on data collected from local authorities, the analysis distinguishes between households sleeping rough, prison leavers and applicants under 35 years old.<sup>36</sup> Data collected from local authorities is used to account for overlaps between these groups of interest.<sup>37</sup>
- 9.73 The potential changes in the Priority Need test are also expected to attract homeless and rough sleeping households that would not turn to local authorities for homelessness services under the current legislation. Based on feedback from key stakeholders, it is assumed that there will be a 20% increase in households assessed as in Priority Need (this is additional to those currently determined not to be in Priority Need) as a result of these additional households coming forward to local authorities under all modelled options.
- 9.74 The model assesses new levels of demand for Section 75 services and quantifies costs for covering this new demand and savings due to households moving out of homelessness and rough sleeping based on assumptions reflecting current delivery of services (e.g. the mix of accommodation types provided to Priority Need households) and on evidence in the relevant literature (e.g. estimates of costs of other types of services provided to homeless people). It is developed in a flexible way that allows for changes in key parameters in order to observe variations in estimated costs and benefits under different assumptions.
- 9.75 On the basis that this report is submitted in early 2020 and substantial changes to legislation may be required, it is assumed that the first year of implementation will be 2024/25. It is further assumed, for modelling purposes, that the implementation

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<sup>36</sup> Based on official homelessness data available on StatsWales, 93% of these households were single-person.

<sup>37</sup> Overlaps between different groups of households that will be owed a full housing duty are important under different assumptions regarding the order in which these groups will enter the Priority Need test. Households are assumed to enter the test as soon as they become eligible. For example, an applicant under 35 who is sleeping rough will be owed a full housing duty in year 1 of the suggested change in policy under the assumption that rough sleepers enter the Priority Need test in year 1, under 35s in year 2 and prison leavers in year 3. The same applicant will be owed a full housing duty in the first year of the policy change implementation under the assumption that under 35s enter the PN test in year 1, rough sleepers in year 2 and prison leavers in year 3. Such overlaps are accounted for in order to avoid double-counting of the households eligible for section 75 services under the new policy.

of the suggested changes will be completed over the course of 5 years.<sup>38</sup> Costs and benefits are appraised over a period of 20 years (from 2024/25 to 2045/46)<sup>39</sup>.

- 9.76 The impacts of the different potential future options are compared to a ‘do nothing’ counterfactual (the status quo) – i.e. a baseline scenario where nothing changes in homelessness policies in Wales. At the baseline, homeless households that turn to local authorities for support are projected to increase in line with estimated population growth.<sup>40</sup> Households sleeping rough are projected in line with forecasts of core homelessness<sup>41</sup> including rough sleeping in Wales provided by Bramley (2017).<sup>42</sup>
- 9.77 Moreover, costs of services offered to homeless households and people who sleep rough are annually updated in line with growth in earnings<sup>43</sup> as suggested by the Office for Budget Responsibility (OBR) for long-term projections.<sup>44</sup>

### **Estimates of costs**

- 9.78 It is assumed that the groups of households that will be in Priority Need and eligible for a full housing duty will get the right to temporary accommodation until they are offered suitable, long-term accommodation. In order to arrive at indicative assessments of new demand for temporary accommodation, it is assumed that the entire group of households entering the Priority Need group each year will be offered accommodation. Additional costs to local authorities of covering this new demand is estimated using data collected from local authorities on total temporary

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<sup>38</sup> As discussed in the presentation of the modelled options, the modelling exercise will also estimate effects assuming a longer implementation period – i.e. 10 years.

<sup>39</sup> HM Green Book’s guidelines state a time horizon of 10 years is a suitable working assumption for many interventions and in some cases up to 60 years may be suitable. Given the proposed phased implementation of the potential future options for Priority Need, this study adopts a 20 year appraisal period.

<sup>40</sup> Population growth rates for each year of the appraisal period are estimated based on official population projections available on StatsWales: <https://statswales.gov.wales/Catalogue/Population-and-Migration/Population/Projections/National/2016-based/populationprojections-by-year-gender>

<sup>41</sup> The term core homelessness includes in rough sleeping, sleeping in tents, cars, and public transport, squatting, unsuitable non-residential accommodation, hostels, unsuitable temporary accommodation (e.g. B&B), and sofa surfing.

<sup>42</sup> Bramley (2017) [Homelessness projections: Core homelessness in Great Britain](#).

<sup>43</sup> Annual growth in earning after adjusting for inflation is estimated at 1.1%. More information can be found [here](#).

<sup>44</sup> See [here](#) for more information on OBR guidelines.

accommodation costs in 2018/19 as well as official data on numbers of households in temporary accommodation across local authorities in the same year.<sup>45</sup>

- 9.79 New households assessed as in Priority Need under options 3 and 4 will then be offered the full housing duty by local authorities. Data on the number of Priority Need households that were positively discharged in 2018/19 is used to arrive at local authority-specific estimates of new demand for suitable accommodation. Assuming that the current mix of accommodation types (i.e. owned by local authorities, Registered Social Landlords, and private landlords) will not change following the amendments in the Priority Need test, the analysis distinguishes between demand for social and private housing.
- 9.80 It is further assumed that homeless and rough sleeping households being offered housing by local authorities will claim housing benefit. Official DWP statistics on average housing benefit awards across local authorities in Wales are used to estimate housing benefit expenses expected to incur for the UK Government as a result of households transitioning from homelessness and rough sleeping to long-term, secure accommodation. The modelling distinguishes between housing benefit awards in the social and the private rented sector to calculate the cost of housing benefit received by households entering housing owned by local authorities and RSLs, and private landlords.
- 9.81 Based on data reported by local authorities, also provided are indicative assessments of costs of securing suitable accommodation including rent, deposit, and rent arrears payments<sup>46</sup> as well as additional staffing requirements to assist the increased number of households.

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<sup>45</sup> According to data reported by local authorities, the average length of stay in temporary accommodation is 1.2 quarters. To calculate temporary accommodation costs, it was assumed that average length of stay will not change following a change in the Priority Need test. Supplementary analysis was also conducted to explore variations in the estimated impact under changes in length of stay. In option 2, it is assumed that the average length of stay is 56 days (which is currently the maximum length of stay in temporary accommodation under the relief duty).

<sup>46</sup> Most local authorities were only able to provide aggregate figures on the total cost of securing accommodation including costs of prevention and other services offered under section 73, while the number of recipients of these services is unclear. Therefore, it was not possible to distinguish between costs of services offered to Priority Need households and other groups across local authorities. However, some of the responses received indicate that these costs are much lower for Priority Need households compared to other groups (e.g. households threatened with homelessness and those under section 73). According to best



### **Estimates of financial benefits**

- 9.82 Key financial benefits from amending or abolishing the Priority Need test are expected to flow from households exiting homelessness and rough sleeping as a result of being offered the full housing duty by local authorities. It should be noted that these financial benefits are **additional** costs on top of the running costs of the existing system. This research highlights that current funding may not be sufficient to achieve its aims and due to the number of unknowns the modelled costs do not take this into account.
- 9.83 It is assumed that the use of outreach services including cold weather provision, emergency accommodation and other services such as day centres and breakfast runs will decrease because people who sleep rough that were previously not in Priority Need will be offered suitable accommodation under options 3 and 4.
- 9.84 While amending (option 3) or abolishing (option 4) Priority Need is likely to reduce the number of people sleeping rough, not all rough sleepers are expected to turn to local authorities for help. Therefore, it is assumed that local authorities will continue to offer some rough sleeping services following any changes in the Priority Need test. To reflect this, it is further assumed that the costs reported by local authorities include a fixed part that will not change under the modelled option – for example, a minimum number of employees will still be working in outreach teams and costs of maintaining emergency accommodation (e.g. night shelters).
- 9.85 In order to calculate additional savings for each household exiting rough sleeping, data reported from local authorities on total expenses on rough sleeping services as well as Official Statistics on rough sleeping counts in each local authority published on StatsWales is used. Based on this data, regression analysis was carried out to distinguish between the fixed part of the cost discussed above and the additional cost per household sleeping rough. According to these estimates, the annual additional cost that will be saved from outreach and other related services is around

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available data, the total annual cost of offering these services to Priority Need households was around £2,200 in 2018/19 while 60 households were positively discharged this year – this results in an average cost of around £37 per household. This data was used to arrive at indicative estimates of securing suitable accommodation costs across Welsh local authorities.

£1,700 per household.<sup>47</sup> Using this estimate the total annual savings to local authorities as a result of applicants who used to sleep rough being positively discharged are assessed.

- 9.86 In addition to the above, savings are estimated from other types of services that people sleeping rough would use had they not been offered suitable accommodation. In particular, savings are estimated from drug and alcohol treatment services, mental health services, Accident & Emergency (A&E) and inpatient care services provided by the NHS, and contacts with the criminal justice system. In the context of a lack of evidence specifically for Wales, average costs of these services for people sleeping rough in the UK estimated by PwC (2018) are used.<sup>48</sup> More specifically, it is assumed that savings of around £7,200 will be saved on an annual basis for each household exiting rough sleeping as a result of amending the Priority Need test category.
- 9.87 It is assumed that additional savings from costs of these services will also materialise as a result of prison leavers, homeless people under 35 years old (under option 2), and all other remaining groups of households currently assessed as not in Priority Need exiting homelessness. According to research carried out by PwC (2018), the annual average cost of these services per homeless household being positively discharged is around £4,300.<sup>49</sup>

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<sup>47</sup> This estimate is calculated using official data on single-night counts of rough sleeping across local authorities available on StatsWales. In lack of better Welsh data, there is a need to rely on evidence from rough sleeping in London to arrive at estimates of annual populations of rough sleepers in Wales. Particularly, according to [official MHCLG statistics based on one-night counts](#) 1,283 people were found to sleep rough in London in autumn 2018 while evidence from [CHAIN](#) suggests that a total of 8,855 people were found to sleep rough over the year. Based on this evidence, the total population of rough sleepers in London is 6.9 (8,855/1,283) times larger than the population observed over a single night. This parameter is used to arrive at annual numbers of rough sleepers in Welsh local authorities.

<sup>48</sup> While different households are expected to have different needs and thus use a different mix of services, the modelling relies on estimates by PwC that reflect average costs of services per household to arrive at indicative assessments of savings from services that would have been used by households if they were to continue being homeless or sleeping rough. [PWC \(2018\) Assessing the costs and benefits of Crisis' plan to end homelessness.](#)

<sup>49</sup> The costs for these services for homeless households and people sleeping rough are updated in line with real earnings growth during the appraisal period.