Main Findings

- Analysis of trends in homelessness in Scotland over the last two decades (1980 to 1998) found support for a structural explanation of the level of homelessness.

- Analysis of variations in homelessness between local authorities in Scotland also found evidence to support a structural explanation of the level of homelessness.

- The level of homelessness was statistically related to indicators of the state of the housing market, housing affordability, unemployment, and ‘de-institutionalisation’.

- The results lend support to the view that there are structural causes of homelessness. At the very least, the results do not provide sufficient evidence to reject this view.
Background

It is a widely held view within the research community that the growth of homelessness in Scotland during the 1980s and 1990s was caused by a series of structural trends, such as unemployment, rising rents and the decline in the supply of social rented housing. However, to date, the existence of a relationship between homelessness and these structural trends has been frequently asserted but not tested in Scotland.

For this research, ‘homelessness’ was defined as the number of people applying to local authorities for assistance on the grounds of homelessness (homelessness applications) or the number who have been assessed as homeless by local authorities (homelessness acceptances). The analysis looked at applications and acceptances by all households and at applications by lone parents and by young people under 25.

The Causes of Homelessness

Explanations of the causes of homelessness tend to fall into two main schools of thought. On the one hand, there are those who argue that homelessness is caused by ‘structural’ factors such as poverty, unemployment, and a lack of affordable housing. On the other hand, some authors argue that homelessness is caused, not by structural factors, but rather by the ‘behavioural’ characteristics of the individuals concerned; in other words, people become homeless because of their personal failings, bad luck or inability to cope with adverse events.

It is important to distinguish between the presenting or proximate uses of homelessness and the underlying structural causes. The latter provide the context within which particular individuals are unable to cope with an adverse event in their lives. Thus, personal factors and individual behaviour may determine who becomes homeless under unfavourable structural conditions, while structural factors may determine the aggregate level of homelessness.

The consensus within the literature is that the causes, and the growth, of homelessness reflect structural factors, yet very little research has been done to support or refute this claim. At present, this consensus amounts to little more than indirect inferences from trends in potential causal factors. Prior to this study, there had been no systematic evaluation in Scotland of these structural explanations. To some extent, this gap reflects the fact that most of the research on homelessness in Scotland has been qualitative rather than quantitative.

A Structural Model of Homelessness

The growth in homelessness over the past two decades has been variously ascribed to structural factors such as rising unemployment, social security benefit cutbacks, labour market restructuring, the decline of private renting, the sale of council houses, rising house prices, and relationship breakdown. In general, there is little attempt in this literature to move beyond lists and explain how or why particular factors may have affected the overall level of homelessness.

A review of the literature suggests that the various structural factors thought to affect the level of homeless can be grouped under four main headings:

- Housing demand and supply
- Affordability
- Unemployment
- De-institutionalisation.

These four groups of factors may cause homelessness by affecting:

- the availability of sufficient and suitable accommodation
- the affordability of available accommodation, and
- need for social support to enable potentially homeless people to live in the available and affordable accommodation.

Trends in Homelessness

The analysis of trends in homelessness applications 1980-1998 found support for a structural explanation of the level of homelessness. There was a long-run statistical relationship between homelessness and 2 selected housing market variables: right to buy sales, and the number of public sector lettings. There was also a long-run relationship between homelessness and the number of tenants in rent arrears. Likewise, there was a long-run relationship between homelessness and both the unemployment rate and the level of employment in manufacturing. Finally, there was a long-run relationship between homelessness and the number of recorded crimes.
Variations in Homelessness across Scotland

The analysis of variations in homelessness between Scottish local authorities also provided some support for the view that the level of homelessness is affected by structural factors.

Housing Demand and Supply

The analysis provided support for the hypothesis that the level of homelessness is affected by the state of the housing market, though the nature of the relationship was not always consistent with that implied by the structural model. In 1981 homelessness was negatively related to the number of vacant properties available for letting, i.e., homelessness was higher where local authority vacancies were lower. In other words, ‘tight’ housing markets had more homelessness than ‘slack’ ones.

However, by the 1990s, the relationship between local authority vacancies and homelessness was found to be the reverse of that posited in the model and found for 1981. Homelessness was now positively related to the number of vacant properties available for letting. It is possible that this change in relationship reflected some underlying change in the nature of social housing that is not captured in the housing demand and supply variables available to the research team. Vacancies may be an ‘intervening variable’ that is related to a factor not included in the analysis. That is to say, the relationship may reflect a structural trend, the effects of which were concentrated in local authorities with high vacancies.

In 1999 there was a positive relationship between the proportion of the population aged under 25 and the level of homelessness: local authorities with high proportions of young people under 25 also had high levels of homelessness.

Unemployment

Variations in homelessness between Scottish local authorities were positively related to unemployment, which is in line with the structural model. This relationship applied to various different measures of unemployment, such as the claimant count, the ILO (International Labour Organisation) definition of unemployment – which is much broader than the claimant count – and long-term unemployment.

Affordability

The analysis found support for the hypothesis that the level of homelessness is affected by the affordability of housing. In general, homelessness applications and acceptances were positively related to the level of house prices, i.e., local authorities with high house prices also tended to have high levels of homelessness and vice versa. Homelessness was also positively related to mortgage arrears: areas with high levels of mortgage arrears also tended to have high levels of homelessness. Likewise, there was a positive relationship between private rents on unfurnished lettings and homelessness: the higher the rent, the higher the level of homelessness.

Except for 1981, there was a negative relationship between local authority rents and the level of homelessness: i.e., the lower the council rent, the higher the level of homelessness. As with local authority vacancies, it is not clear why this negative relationship between local authority rent levels and homelessness should exist.

De-institutionalisation

The analysis revealed a number of statistically significant relationships between homelessness and various measures of what, for the purpose of this research, was termed ‘de-institutionalisation’, though the results were not fully consistent.

In 1981 and 1991, there was a positive relationship between homelessness and the number of psychiatric inpatient discharges of people with a diagnosis of alcohol misuse: the greater the number of such discharges, the higher the level of homelessness in the local authority and vice versa. By 1996 and 1997 the relationship had reversed. For these two years, homelessness was lower in areas with high levels of discharge (and vice versa). It is possible that local authorities adjusted their homelessness practices to provide accommodation for inpatients with a history of alcohol misuse who were being discharged. However, in 1998 there was again a positive relationship between the two (except for applications by young people, which continued to have an inverse relationship).

In 1999, there were positive relationships between the level of homelessness and the number of inpatient discharges from long-stay hospitals and the number of children in care.
Conclusions

Taking the results of the various analyses together and bearing in mind the limitations of the data, the results lend support to the hypothesis that there are structural causes of homelessness. The level of homelessness over the past two decades has, to some extent, been affected by wider structural trends in society.

Unemployment and, to a lesser extent, housing affordability and de-institutionalisation, appear to be powerful forces affecting the incidence of homelessness in Scotland.

Thus, while behavioural factors may be important in explaining individual cases of homelessness, the analysis indicates that structural trends do affect the aggregate level of homelessness. The evidence suggests that this is the case, not only for homelessness acceptances, but also for applications by all households, by young people, and by lone parents.

Research Methods

The research team reviewed the literature on the causes of homelessness. Drawing on this literature, an empirically testable model of the structural causes of homelessness was developed. Multivariate statistical techniques were then used to test this model. The statistical analysis had two main components: an analysis of trends in homelessness in Scotland over a 19-year period, from 1980 to 1998 (the time-series analysis); and variations in homelessness between Scottish local authorities for six different points in time over the period from 1981 to 1999 (the cross-section analysis) and for groups of years taken together (the pooled cross-section analysis).

If you wish further copies of this Research Findings or have any enquiries about the work of the Central Research Unit, please contact us at:

Scottish Executive Central Research Unit
2J
Victoria Quay
EDINBURGH
EH6 6QQ
Tel: 0131 244 7560
Email: cru.admin@scotland.gov.uk
Web site: www.scotland.gov.uk/cru

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