

Housing, Homelessness and Fair Work Committee

10am, Thursday, 19 March 2020

Homelessness and Housing Support - Revenue Monitoring 2019/20 – month nine position

Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 Members of the Housing, Homelessness and Fair Work Committee are asked to:
 - 1.1.1 note an overall net residual budget pressure of £4.8m for Communities and Families, as reported to the Education, Children and Families Committee;
 - 1.1.2 note that this pressure includes a net residual budget pressure of £0.8m for the Homelessness and Housing Support service, which remains at month nine;
 - 1.1.3 note that approved savings and operational efficiencies in 2019/20 total £0.295m, with £0.265m on track to be delivered in full and £0.030m assessed as red, which is not expected to be delivered until 2020/21;
 - 1.1.4 note that the Executive Director of Communities and Families is taking measures to reduce budget pressures.

Alistair Gaw

Executive Director for Communities and Families

Contact: Brendan O'Hara, Acting Principal Accountant

Report

Homelessness and Housing Support - Revenue Monitoring 2019/20 – month nine position

2. Executive Summary

- 2.1 The report sets out the projected month nine revenue monitoring position for the Homelessness and Housing Support service, based on analysis of actual expenditure and income to the end of December 2019, and expenditure and income projections for the remainder of the financial year.
- 2.2 The total projected (full year) gross budget pressure is currently £6.5m, partially offset by mitigations totalling £5.7m, resulting in a net residual budget pressure of £0.8m. This is part of an overall net residual budget pressure of £4.8m for Communities and Families.
- 2.3 The Executive Director of Communities and Families is fully committed to making all efforts to identify management action to reduce the budget pressures.
- 2.4 The month nine position for Communities and Families as a whole was reported to the Education, Children and Families Committee on 3 March 2020.

3. Background

- 3.1 Homelessness and Housing Support is part of the Safer and Stronger Communities service area within the Communities and Families directorate.
- 3.2 The total 2019/20 net budget for Homelessness and Housing Support is £28.4m.
- 3.3 This report sets out the projected overall position for the Homelessness and Housing Support revenue expenditure budget for 2019/20.

4. Main report

Overall Position

- 4.1 The Homelessness and Housing Support service is projecting net budget pressures of £0.8m at month nine. This is part of an overall net residual budget pressure of £4.8m for Communities and Families.

Gross Budget Pressures £6.5m

- 4.2 Significant service pressures continue to be faced, with the average length of stay in temporary accommodation increasing due to a shortage of suitable move-on accommodation, a continuing reduction in Private Sector Leasing (PSL) properties and a corresponding increase in bed and breakfast, short term let and shared accommodation.
- 4.3 The shortage of suitable temporary accommodation is leading to the service having to place individuals in bed and breakfast and shared accommodation. This is the costliest provision and the proportionate level of housing benefit that the Council receives is low in comparison to other accommodation types.
- 4.4 Demand for bed and breakfast, short term let, and shared accommodation continues to rise due to increasing average length of stay and a shortage of available move-on accommodation. Usage for the first ten months of 2019/20 was 305,822 bed-nights, compared with 277,069 in 2018/19 (10% increase). There is a forecast gross pressure of £6.5m for this type of accommodation.

Mitigations £5.7m

- 4.5 Mitigating action is being taken to reduce the use of bed and breakfast and shared accommodation and to deliver additional housing benefit. This includes the re-tendering of the PSL scheme, which is expected to deliver additional properties from April 2020, which would reduce the need to place people in bed and breakfast and shared accommodation.
- 4.6 Additional housing benefit income of £1.7m is forecast to be delivered, as a result of increasing accommodation costs. Additional revenue collectors have also been recruited in order to improve collection, some of which is backdated to 2018/19 and is therefore one-off.
- 4.7 Scottish Government funding of £1.0m has been received in 2019/20 for the development of a Rapid Rehousing Transition Plan, of which £0.6m relates to initiatives implemented during 2018/19. Funding of £0.9m is expected for 2020/21 and 2021/22 and the service is developing new initiatives to maximise the benefit of this funding, which should mitigate pressures in future years.
- 4.8 Commissioned services are forecasting an underspend of £0.3m due to reviews of contracted requirements.
- 4.9 Further details of budget pressures and mitigations are included at Appendix 1.

Savings Delivery – Approved Savings 2019/20 Budget

- 4.10 The approved budget savings for Homelessness and Housing Support total £0.295m. Progress in the delivery of the approved savings is reviewed regularly and a red, amber, green (RAG) analysis has been undertaken in consultation with senior management. This indicates that, on the basis of actions planned or already undertaken, £0.265m of approved savings are on track to be delivered in full (green) and £0.030m is not expected to be delivered until 2020/21 (red). Further details are included in Appendix 2

5. Next Steps

- 5.1 Work is ongoing to identify further mitigating measures through continued workforce and discretionary expenditure controls to manage financial risks and take timely remedial action, where any further adverse variances become apparent.

6. Financial impact

- 6.1 The report highlights 2019/20 projected net budget pressures of £0.8m for Homelessness and Housing Support services. This is included in the overall net residual budget pressure of £4.8m for Communities and Families, which is reported to the Education, Children and Families Committee.
- 6.2 This position is subject to active monitoring, management of risks and identification of further mitigation.

7. Stakeholder/Community Impact

- 7.1 The Council undertook a budget engagement exercise when developing the 2019/20 revenue budget.
- 7.2 There is no direct relevance of the report's contents to impacts on carbon, adaptation to climate change and sustainable development. The Council's revenue budget includes expenditure impacting upon carbon, adaptation to climate change and contributing to sustainable development. In addition, all budget proposals are now subject to an upfront assessment across these areas.

8. Background reading/external references

- 8.1 None.

9. Appendices

- 9.1 Appendix one - Summary of forecast net revenue budget pressures;
- 9.2 Appendix two - Summary of approved budget savings 2019/20.

Appendix 1

Forecast Areas of Budget Pressure and Management Action

Month 9, £m	Residual Budget Pressure Month 9	Pressures from Unachieved Approved Savings	Additional Pressures	Forecast Savings / Mgt Action - One-off	Forecast Savings / Mgt Action - Recurring	Explanatory Note - Residual Budget Pressure
	£m	£m	£m	£m	£m	
Temporary accommodation - expenditure	6.5	0.0	6.5	0.0	0.0	Full year effect of 2018/19 growth plus in-year growth due to lack of available move-on accommodation. Monitored closely each month
Temporary accommodation - income	(1.7)	0.0	0.0	(0.6)	(1.1)	Increased Housing Benefit income from additional revenue collectors
Private Sector Leasing	(3.0)	0.0	0.0	0.0	(3.0)	Additional CEC investment to offset impact of Welfare Reform and to expand the service, however stock level continues to fall. Closely monitored throughout the year
Commissioned services - Payments	(0.3)	0.0	0.0	0.0	(0.3)	Budget exceeds contracted requirements
Various Under / Overspends	(0.7)	0.0	0.0	(0.7)	0.0	One-off savings from additional investment
	0.8	0.0	6.5	(1.3)	(4.4)	

Appendix 2

Summary of approved budget savings 2019/20 with RAG assessment

Proposal description/area	2019/20 approved saving	Saving RAG assessment		
		Green	Amber	Red
HOMELESSNESS AND HOUSING SUPPORT	£m	£m	£m	£m
Invest in Revenue Collection Officers	0.175	0.175		
Invest to reduce temporary accommodation voids rates	0.090	0.090		
Adoption of Scottish Government Framework for electricity and gas	0.030			0.030
Total approved savings 2019/20	0.295	0.265	0.000	0.030