

Finance and Resource Committee

10.00am, Thursday, 4 March 2021

Homelessness Services – Use of Temporary Accommodation

Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 This report seeks approval to enter into contracts for temporary accommodation comprised of flats, bed and breakfasts and tourist hotels on a spot purchase basis from the period 1 April 2021 to 31 March 2022, to supplement the current contracted provision of accommodation.
- 1.2 Committee is requested to approve waivers included in Appendix 1, to the value of £16,149,640, for the 2021/22 financial year to ensure temporary accommodation is available to meet demand and accommodation providers can be paid on time. This request can be contained within available budgets.
- 1.3 Committee is asked to note the increased use and cost of temporary accommodation during the pandemic.

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Homelessness Services – Use of Temporary Accommodation

2. Executive Summary

- 2.1 During the Covid-19 pandemic, the Council has used significantly more temporary accommodation in order to support vulnerable people and ensure the spread of the virus is minimised amongst the homeless population.
- 2.2 This has meant securing a significant number of additional contracted and off contract temporary accommodation.
- 2.3 Additional funding of £10m has been provided through the 2021/22 budget process to recognise that increased demand will continue throughout this financial year.

3. Background

- 3.1 Since the beginning of lockdown restrictions, the Council has been required to secure additional temporary accommodation to meet public health objectives and manage a lack of throughput into all forms of settled accommodation, to fulfil its statutory duties to homeless people
- 3.2 Due to the ongoing restrictions, and the time it will take for services to return to normal when restrictions are eased, the service expects to continue to require additional temporary accommodation throughout 2021/22.

4. Main report

- 4.1 During the period of Covid-19 restrictions, the Council has secured access to a significant number of additional temporary accommodation from off contract suppliers.
- 4.2 In February 2020, pre Covid-19 restrictions, the average number of households in temporary accommodation, excluding Private Sector Leasing (PSL), was 2,032. At December 2020 this had increased to 2,902 households, an increase of 43%, and there continues to be month on month increases although the rate of increase has slowed in recent months. There is a projected increase of 215,456 bed nights in

bed and breakfast/ shared house and interim accommodation provision in 2020/21, compared with 2019/20, an increase of 58%.

- 4.3 The increase in temporary accommodation use is mainly a result of three factors: the provision of additional accommodation for those rough sleeping, the provision of temporary accommodation for people who may have no recourse to public funds and a lack of move on or settled accommodation.
- 4.4 When there is no longer a public health requirement to accommodate these people, the Council will need to decide how to manage these cases. A report on the Council's legal position was considered at the Housing, Homelessness and Fair Work Committee on 3 September 2020, with a further report highlighting the supports provided to date presented on 5 November 2020.
- 4.5 Full consideration of these options and the support that the Council will continue to provide will be progressed through the Council's adaptation and renewal programme, as agreed by committee.

5. Next Steps

- 5.1 Homeless households will be prioritised for available social rented housing; supporting access to settled homes for vulnerable people and reduced costs to the Council. This will assist with managing the demand for temporary accommodation.
- 5.2 The Council will continue to liaise with civil servants to obtain the Scottish Government's position on the continued provision of support to people who may have no recourse to public funds.

6. Financial impact

- 6.1 Through the 2020/21 budget process additional funding of £2m was provided to address recurring homelessness pressures prior to the Covid-19 pandemic. However, the impact of the pandemic has led to further increases with costs increasing by £10.1m during 2020/21, partly offset by £0.8m of Scottish Government funding for food support to vulnerable clients, resulting in a net additional cost of £9.3m.
- 6.2 Additional funding of £10m has been provided through the 2021/22 budget process to address this increased cost.
- 6.3 The increased requirement for temporary accommodation requires the service to use a wide range of non-contracted providers. The waivers listed in Appendix 1, totalling £16,149,640, are projected accommodation costs for 1 April 2021 to 31 March 2022. The net cost to the Council following receipt of associated housing benefit is £9,274,438 and can be contained within the overall budget for temporary accommodation.

- 6.4 The total budget for temporary accommodation is £26,892,806 having incorporated the additional £10m provided through the 2021/22 budget process. The table below shows how this is split between the Private Sector Leasing Scheme, CEC provided units, contracted expenditure and the non-contracted expenditure covered by this waiver. All figures take account of associated housing benefit.

	Total Budget Available
BUDGETS AVAILABLE IN 2021-22	£26,892,806
HOMELESS ACCOMMODATION	Net Cost
Private Sector Leasing	£7,761,164
CEC Dispersed Flats and Managed Units	£-2,147,661
Contracted Temporary Accommodation	£12,004,865
Non-Contracted Temporary Expenditure	£9,274,438
Total	£26,892,806

7. Stakeholder/Community Impact

- 7.1 This is an update report and did not require any specific stakeholder engagement.

8. Background reading/external references

- 8.1 Not applicable.

9. Appendices

- 9.1 Appendix 1 – Projected non-contracted expenditure in temporary accommodation from 1 April 2021 to 31 March 2022.