

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 20 January 2022

Homelessness and Housing Support - Revenue Monitoring 2021/22 – month six position

Executive/routine
Wards
Council Commitments

1. Recommendations

- 1.1 Members of the Housing, Homelessness and Fair Work Committee are asked to note:
 - 1.1.1 A net residual budget pressure of £2.8m for the Homelessness and Housing Support service at month six; and
 - 1.1.2 The potential recurring aspects of this in-year pressure.

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Executive Director of Place

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Report

Homelessness and Housing Support - Revenue Monitoring 2021/22 – month six position

2. Executive Summary

- 2.1 The report sets out the 2021/22 projected month six revenue monitoring position for the Homelessness and Housing Support service, based on analysis of actual expenditure and income to the end of September 2021, and expenditure and income projections for the remainder of the financial year.
- 2.2 The projected net residual pressure is £2.8m.
- 2.3 The Interim Service Director, Housing Family Support and Fair Work is fully committed to making all efforts to identify management action to reduce the budget pressures, while addressing the impact of the pandemic.

3. Background

- 3.1 Homelessness and Housing Support is in the process of transferring to the Housing, Family Support and Fair Work service area within the Place directorate.
- 3.2 The 2020/21 net budget for Homelessness and Housing Support was £30.7m, prior to the in-year provision of COVID-19 related additional funding of £8.8m and this has increased to £43.9m in 2021/22 to take account of the full year impact of the increased use of temporary accommodation during the COVID-19 pandemic.
- 3.3 This report sets out the projected position for the Homelessness and Housing Support revenue budget for 2021/22.

4. Main report

2021/22 - month 6 forecasts

- 4.1 The households in temporary accommodation increased from 3,570 at March 2020 to 4,431 at March 2021 as a result of responding to the COVID-19 pandemic. To acknowledge the ongoing financial impact of this growth the Council approved additional funding of £12m for 2021/22. In addition, a further amount of £0.4m was approved to increase preventative services to be used in conjunction with £0.563m

of additional COVID-19 related Rapid Re-housing Transition Plan (RRTP) funding provided by the Scottish Government.

- 4.2 During 2021/22 there have been small monthly increases with 4,525 households in temporary accommodation at September. During October the Welcome Centre opened resulting in an increase to 4,587 households. The financial impact of this growth has been partly mitigated through the renegotiation of B&B rates.
- 4.3 Based on expenditure for April to September and assuming the same level of growth continues for the remainder of the year there is a forecast residual pressure of £2.8m. This pressure may be partially mitigated should the Scottish Government provide further COVID-19 related funding for support during the winter period, as provided in 2020/21.
- 4.4 A significant contributor to the increase in costs seen during the pandemic is the response required to support clients with limited or no recourse to public funds (NRPF). There has been a near six-fold increase in the number of European Economic Area nationals and those with no recourse to public funds requiring to be accommodated to support wider public health objectives. The estimated additional net cost for 2021/22, compared to pre-pandemic levels in 2019/20, is £6m. Research undertaken by CoSLA has shown this to be a specific Edinburgh issue and officers are working with colleagues at CoSLA and the Scottish Government to explore potential funding opportunities to address at least some of the pressure concerned.
- 4.5 The financial responsibility for Housing First was taken on by the Council from 1 October 2021 and is estimated to cost £0.38m this year and this is factored into the above forecast. The full-year costs for 2022/23 are estimated at £0.9m and have been factored into the financial planning assumptions.
- 4.6 The financial impact for the remainder of 2021/22 and future years will depend on a number of factors such as: the number of homeless presentations as restrictions are relaxed, how quickly allocations to permanent accommodation can be made, the implementation of new legislation relating to the removal of local connection and Scottish Government requirements regarding support for clients with no recourse to public funds. The service is also actively working to change the mix of temporary accommodation towards more efficient and suitable accommodation, reduce unit costs through the new Flexible Purchasing System and embed new preventative services, all of which would have a positive financial impact.
- 4.7 The financial planning assumptions for 2022/23 take account of the increased growth seen this year. The additional funding provided this year has been increased by a further £3m to a total of £15m. This is the amount required to support the number of households in place at September 2021. This position will be influenced by the factors identified in 4.6 above and will be kept under constant review with any implications captured in future revenue monitoring and budget development reports to Finance and Resources Committee and this committee.

5. Next Steps

- 5.1 Work is ongoing to identify mitigating measures and to change the current mix of temporary accommodation, reducing the reliance on expensive and unsuitable accommodation.
- 5.2 The service is also engaging with the Scottish Government through CoSLA in relation to the ongoing cost and support arrangements for clients with NRPF. This is a significant pressure and is a direct impact of complying with Public Health restrictions during the pandemic.
- 5.3 The service is actively implementing preventative services to support households and avoid the need for them to enter temporary accommodation. Services are also being implemented to target households currently in temporary accommodation to ensure all options are being considered in assisting them, where appropriate, to achieve a settled tenancy. The impact of these services will be actively monitored and reported to the Council Leadership Team on a regular basis.
- 5.4 Officers will continue to seek to identify appropriate properties for use as Home Share as instructed by members.
- 5.5 Officers will work with partners and landlords in the city to increase the amount of suitable temporary accommodation available.

6. Financial impact

- 6.1 The report highlights that additional funding of £15m was approved for 2021/22 to address the ongoing impacts of COVID-19 and at month six there is a residual forecast pressure of £2.8m.
- 6.2 This position is subject to active monitoring, management of risks and identification of further mitigation.

7. Stakeholder / Community Impact

- 7.1 A detailed report summarising the response to the Council's engagement on budget priorities for 2021/22 and beyond was considered by the Finance and Resources Committee on 2 February and referred on to Council as part of the 2021/22 budget-setting meeting.
- 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 None.