

# Housing, Homelessness and Fair Work Committee

10am, Thursday, 4 November 2021

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

Executive/routine Wards Council Commitments	Routine All
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### 1. Recommendations

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- 1.1 Housing, Homelessness and Fair Work Committee are asked to:
  - 1.1.1 Note a net residual budget pressure of £1.2m for the Homelessness and Housing Support service at month four;
  - 1.1.2 Note that there is a risk that this pressure may increase further if bed nights continue to increase at the rate seen during April to July;
  - 1.1.3 Note 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 four position

### 2. Executive Summary

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- 2.1 The report sets out the 2021/22 projected month four revenue monitoring position for the Homelessness and Housing Support service, based on analysis of actual expenditure and income to the end of July 2021, and expenditure and income projections for the remainder of the financial year.
- 2.2 The projected net residual pressure is £1.2m.
- 2.3 The Interim Service Director for Housing, Family Support and Fair Work is fully committed to making all efforts to identify management action to reduce the budget pressures, while addressing recognising the impact of the Coronavirus (COVID-19) pandemic.

### 3. Background

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- 3.1 The Homelessness and Housing Support service 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. 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

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#### 2021/22 - month 4 forecast

- 4.1 To acknowledge the ongoing financial impact of the growth seen in 2020/21, the Council approved additional funding of £12m for 2021/22 for the Homelessness and Housing Support service. In addition, a further £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 The households in temporary accommodation increased from 3,570 at March 2020 to 4,431 at March 2021. There has been a continued increase as at July 2021, albeit significantly lower than seen during 2020/21, to 4,521 households. The financial impact of this growth has been partly mitigated through the renegotiation of B&B rates.
- 4.3 Based on expenditure for the April to July period, and assuming the same level of provision and unit costs for the remainder of the year, there is a forecast residual pressure of £1.2m. Should the numbers in temporary accommodation continue to increase at the rate seen during April – July, this is estimated to increase by £1m to a pressure of £2.2m for the full financial year 2021/22. The full year impact of these increases would be a further £2.3m in 2022/23.
- 4.4 On 1 October 2021, the Council took on responsibility for Housing First and the forecast for 2021/22 takes account of this. The cost in 2021/22 is estimated to be £0.38m rising to £0.9m in 2022/23.
- 4.5 To operate within the approved budget for 2021/22 there is a requirement to reduce current costs, which can be achieved through a reduction in households in temporary accommodation, reduced unit costs, changes in the mix of temporary accommodation or a combination of all factors.
- 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, Scottish Government requirements regarding support for clients with ‘no recourse to public funds’, unit costs for temporary accommodation and the rate at which changing the mix of temporary accommodation towards more efficient and suitable accommodation can be achieved and the impact of new preventative services.
- 4.7 The financial planning assumptions for 2022/23 currently assume the additional funding of £12m provided in 2021/22 will reduce to £10m. This planning assumption will be at risk should the numbers in temporary accommodation continue to increase and/or do not reduce by the levels required. Should the rate of growth continue for the remainder of this year, the service would be starting 2022/23 with a forecast pressure of £7.0m in this area. This will be kept under review and reported to Finance and Resources Committee on 9 December 2021 and factored into the 2022/23 budget planning process as required.

## **5. Next Steps**

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- 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 'no recourse to public funds'. 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. Action is also being taken 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 Corporate 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 and will work with partners and landlords in the city to increase the amount of suitable temporary accommodation available.

## **6. Financial impact**

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- 6.1 The report highlights that additional funding of £12m was approved for 2021/22 to address the ongoing impacts of COVID-19 and at month four there is a residual forecast pressure of £1.2m.
- 6.2 This position is subject to active monitoring, management of risks and identification of further mitigation.

## **7. Stakeholder / Community Impact**

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- 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 2021](#) 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**

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- 8.1 None

## **9. Appendices**

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- 9.1 None