

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 24 March 2022

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

Executive/routine Wards Council Commitments	Routine All
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1. Recommendations

- 1.1 It is recommended that Committee note:
 - 1.1.1 A net residual budget pressure of £1.967m for the Homelessness and Housing Support service at month eight, a reduction to the £2.8m pressure reported at month six; and
 - 1.1.2 The potential recurring aspects of this in-year pressure.

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Report

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

2. Executive Summary

- 2.1 The report sets out the 2021/22 projected month eight revenue monitoring position for the Homelessness and Housing Support service, based on analysis of actual expenditure and income to the end of December 2021, and expenditure and income projections for the remainder of the financial year.
- 2.2 The projected net residual pressure is £1.967m.
- 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 has recently transferred from Communities and Families directorate 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 eight 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. 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 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 November 2021, albeit significantly lower than seen during 2020/21, to 4,600 households. The financial impact of this growth has been partly mitigated through the renegotiation of Bed and Breakfast (B&B) rates.
- 4.3 Based on expenditure for the April to November period, and assuming the same level of provision and unit costs for the remainder of the year, there is a forecast residual pressure of £1.967m. This figure takes account of the allocation of £0.833m of Scottish Government funding since the position reported at month six.
- 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 people who are ineligible for service, including those with NRPF and European Economic Area nationals whose status is undetermined. The estimated additional net cost for 2021/22, compared to pre-pandemic levels in 2019/20, is £6m.
- 4.5 The forecast for 2021/22 takes account of the costs from the Council taking on responsibility for Housing First from 1 October 2021. The cost for this year is estimated to be £0.38m rising to £0.9m in 2022/23.
- 4.6 The financial impact for the remainder of 2021/22 and future years will depend on a number of factors such as:
 - 4.6.1 The number of homeless presentations as COVID-19 restrictions are relaxed;
 - 4.6.2 How quickly allocations to permanent accommodation can be made;
 - 4.6.3 The implementation of new legislation relating to the removal of local connection;
 - 4.6.4 Scottish Government requirements regarding support for clients with NRPF;
 - 4.6.5 Unit costs for temporary accommodation;
 - 4.6.6 The rate at which changing the mix of temporary accommodation towards more efficient and suitable accommodation can be achieved; and
 - 4.6.7 The impact of new preventative services.
- 4.7 Given these trends and the full-year effect of increases anticipated in the remainder of the year, the revenue budget framework for 2022/23 now incorporates an additional £17.6m for homelessness-related expenditure relative to the approved level of provision for 2019/20.

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 £12m was approved for 2021/22 to address the ongoing impacts of COVID-19 and at month eight there is a residual forecast pressure of £1.967m.
- 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 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

8.1 [Budget Insights 2020](#), Finance and Resources Committee, 2 February 2021.

9. Appendices

9.1 None.