



Item No: 17

Meeting Date: Wednesday 15th March 2017

Glasgow City Integration Joint Board

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HOMELESSNESS SERVICES: TEMPORARY HOMELESSNESS ACCOMMODATION CHARGES FOR 2017/18

Purpose of Report:	To inform Glasgow Integration Joint Board of the charges set for homelessness temporary accommodation for 2017/18.
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Recommendations:	The Integration Joint Board is asked to: a) note the average weekly charge for temporary furnished accommodation of £135.17, a reduction of 24.4%; and b) note the 8.9% decrease to hostel rents, being a weekly charge of £307.45 for the Chara Centre, Clyde Place, Elder Street, James Mclean, Rodney Street and Portman Street.
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Relevance to Integration Joint Board Strategic Plan:

Outlines the charges set for Homelessness temporary accommodation which contributes to the long term outcome for ensuring an adequate supply of settled and emergency accommodation to meet the needs of people affected by homelessness, as contained within the Homelessness Strategy map on page 42 of the strategic plan.

Implications for Health and Social Care Partnership:

Reference to National Health & Wellbeing Outcome:	Contributes to: Outcome 9. Resources are used effectively and efficiently in the provision of health and social care services
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Personnel:	None
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Carers:	No direct impact	
Provider Organisations:	None	
Equalities:	None	
Financial:	The measures outlined within the report result in a cost to Social Work due to the difference between the cost of provision of temporary furnished flats and hostels, and housing benefit subsidy from DWP, which will be managed across the Social Work budget within the Council's allocation to the Integration Joint Board.	
Legal:	None	
Economic Impact:	None	
Sustainability:	None	
Sustainable Procurement and Article 19:	None	
Risk Implications:	None	
Implications for Glasgow City Council:	None	
Implications for NHS Greater Glasgow & Clyde:	None	
Direction Required to Council, Health Board or Both	Direction to:	
	1. No Direction Required	✓
	2. Glasgow City Council	
	3. NHS Greater Glasgow & Clyde	
	4. Glasgow City Council and NHS Greater Glasgow & Clyde	

1. Background

- 1.1 In line with the policy approved by Council Executive Committee in previous years, Homelessness accommodation charges are pooled to calculate a weekly accommodation (rent) charge. The rent charge reflects the costs directly associated with the provision of the accommodation. Homelessness Services

accommodate clients in temporary furnished accommodation until suitable permanent accommodation becomes available.

- 1.2 As a consequence of Housing Benefit subsidy reforms in 2011/12, a budget shortfall exists in Homelessness budgets. Further changes coming into effect in 2017/18 would increase this shortfall.

2. Universal Credit

- 2.1 Universal Credit went live in Glasgow in June 2015 for new single claimants. To date 73 claimants have entered the system and have accumulated arrears of £144k.
- 2.2 The full roll-out of Universal Credit is planned to commence in Glasgow in September 2018, with migration of remaining claimants from Housing Benefit complete by 2022.
- 2.3 Under Housing Benefit rules, the local authority receives subsidy at an average of £114.23 per client per week. This is changed under Universal Credit. Clients under 35, who account for half of the Homelessness client group, will receive housing costs at a maximum of £68.28 per week. This reduces the overall average housing costs received to £86.29 per client per week, an additional £27.94 shortfall on Universal Credit housing costs when compared to Housing Benefit Subsidy.
- 2.4 As a result of this change, by 2022, there would be a shortfall of £4.3m within the Homelessness budget.

3. Management Fee

- 3.1 From April 2017 the temporary accommodation management fee will no longer be paid through housing benefit subsidy from DWP.
- 3.2 The funding of the management fee will be devolved from Westminster to the Scottish Government and paid direct to all Scottish Local Authorities through a new grant system.
- 3.3 The fund devolved to Scotland in 2017/18 is estimated to be £22.5m. There has not yet been any notification to Glasgow confirming the funding to be received.
- 3.4 We have made assumptions based on proposals for the fund to the Scottish Government Settlement and Distribution Group from the Data Issues Working Group. While the proposal does not specify the allocation for each local authority, based on the outlined formula, we have estimated £4m of funding for Glasgow to allow for the timeous setting of the rent charges for temporary accommodation for 2017/18. This would be £1.2m less than the previous arrangement.
- 3.5 The change in the method of funding of the temporary accommodation management fee impacts on our ability to include this in the rental charge, and results in a required rental reduction within temporary accommodation.

4. Temporary Furnished Flats 2017/18

- 4.1 A Housing Access Partnership has been set up in conjunction with key housing stakeholders. The remit of the Housing Access Partnership is to improve access to permanent accommodation, increase the pool of temporary accommodation, and to identify options for new ways of delivery.
- 4.2 Based on the Housing Access Project Board's capacity plan, an estimate has been made about the number of flats required to meet the needs of Homelessness clients in 2017/18, which takes account of an increased pool of flats being acquired. The number of income generating units in 2017/18 over which to spread costs, is therefore estimated to be 1,624.
- 4.3 The cost of the provision of the pool of temporary furnished flats in 2017/18 to be met by rental income is £11.4m. The proposed average rent charge is therefore £135.17, a decrease of £43.52 (24.4%) on 2016/17, as a consequence of the revised arrangements for the management fee outlined at paragraph 4.

5. Separate Rent Charge for Hostels

- 5.1 Since April 2011, hostels owned by the council, Chara Centre and Clyde Place, have not been affected by the subsidy controls which were introduced. Hostels which are leased, Elder Street and James Mclean, have been affected in that there has been a cap on the amount of housing benefit subsidy we can recover of £88.27 per room per week.
- 5.2 Two additional hostels opened in 2016/17, Portman Street and Rodney Street, both of which are council owned.
- 5.3 It is proposed that the pooled rent charge set in 2017/18 for Chara Centre, Clyde Place, Portman Street, Rodney Street, Elder Street and James Mclean hostels be set at £307.45 per week, a decrease of 8.9% on the 2016/17 charge of £334.66. The decrease is as a result of the two new hostels increasing the number of income generating places over which to spread the cost.

6. Mitigation of Budget Shortfall and Further Work

- 6.1 Savings of £1m from Homelessness purchased services and an additional £2m of funding have been applied to eliminate the budget shortfall in 2017/18.
- 6.2 Work will continue within the Health and Social Care Partnership to close the gap, within the Homelessness budget, in future years caused by the loss of housing benefit subsidy.
- 6.3 This work will involve the development of further re-design proposals regarding the continuing delivery of temporary furnished flats and associated provision such as repairs and maintenance, and storage of personal possessions including furniture. The proposals will also review and reform emergency homelessness provision beyond current reform programmes in train.

6.4 Transformational change programmes will be presented to the Integration Joint Board for consideration later in 2017.

7. Recommendations

7.1 The Integration Joint Board is asked to:

- a) note the average weekly charge for temporary furnished accommodation of £135.17, a reduction of 24.4%; and
- b) note the 8.9% decrease to hostel rents, being a weekly charge of £307.45 for the Chara Centre, Clyde Place, Elder Street, James Mclean, Rodney Street and Portman Street.