

**Glasgow City
Integration Joint Board
Finance, Audit and Scrutiny Committee**

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HOMELESSNESS FUNDING ARRANGEMENTS

Purpose of Report:	The purpose of this report is to give an overview of how Homelessness Services are funded due to the unique element of the rent funding.
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Background/Engagement:	In addition to the Homelessness Services Update paper presented to the IJB on 25 November 2020, this paper gives detail on the funding arrangements for Homelessness Services.
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Recommendations:	The IJB Finance, Audit and Scrutiny Committee is asked to: a) Note the contents of the report.
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Relevance to Integration Joint Board Strategic Plan:
Page 42: People can access appropriate housing and support that enables them to live within their communities.

Implications for Health and Social Care Partnership:

Reference to National Health & Wellbeing Outcome:	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:	None
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Provider Organisations:	None
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Equalities:	None
Fairer Scotland Compliance:	None
Financial:	None
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

1. Purpose

- 1.1. The purpose of this report is to give an overview of how Homelessness Services are funded due to the unique element of the rent funding.

2. Background

- 2.1. In response to the [Homelessness Services Update](#) paper presented to the IJB on 25 November 2020, this paper gives detail on the funding arrangements for Homelessness Services.

3. Homelessness Funding

- 3.1. The funding for Homelessness Services is unique in that income is generated through rent charges for temporary accommodation.
- 3.2. The rent charges are set annually, approved by the City Administration Committee and reported to the IJB Finance, Audit and Scrutiny Committee.
- 3.3. The most recent report was presented to the IJB Finance, Audit and Scrutiny Committee on 19th February 2020 and can be accessed via the following link: [Temporary Homelessness Accommodation Charges for 20/21](#)

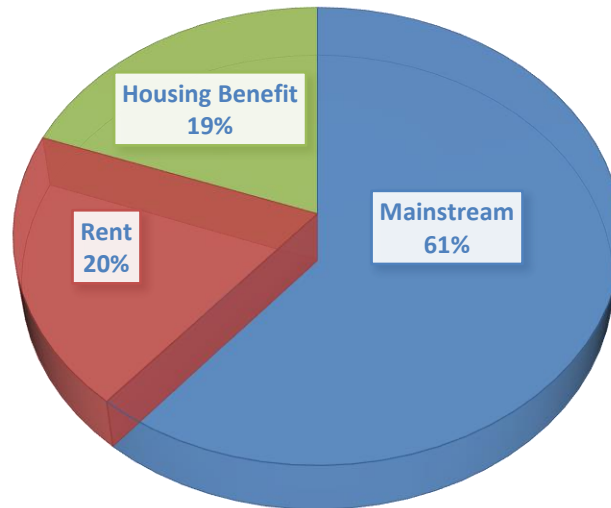
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3.4. The gross expenditure budget for Homelessness Services in 20/21 is £72.8m and is made up of 3 funding streams.

- £44.5m of Mainstream Revenue Funding
- £14.2m funded by Rent Charges
- £14.1m funded by Housing Benefit Subsidy from the DWP.

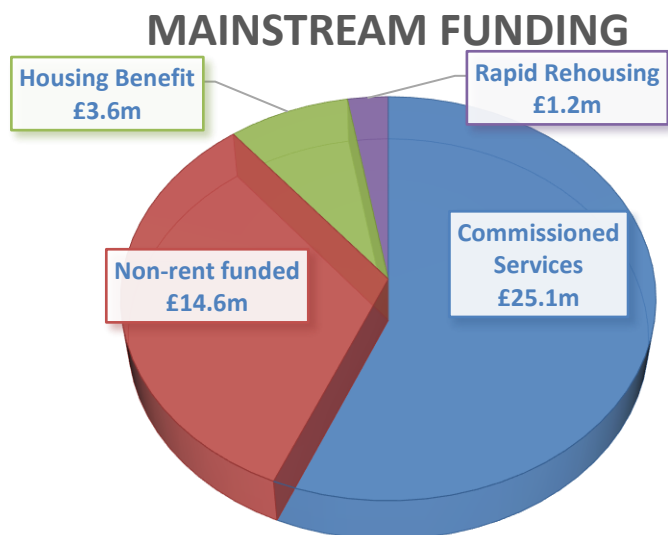
HOMELESSNESS FUNDING



4. Mainstream Funding

4.1. The mainstream element of homelessness funding makes up 61% of the overall budget. This equates to £44.5m and is broken down as follows:

- £25.1m for Commissioned services, now the Alliance.
- £14.6m for the non-rent funded elements of the accommodation, which in the main is for staff costs for support provided to service users.
- £3.6m to fund the gap between what is paid out in Housing Benefit and what is recouped in Housing Benefit Subsidy.
- £1.2m is funding from the Scottish Government for the Rapid Rehousing Transition Plan.



- 4.2. The biggest element of the mainstream funding is the £25.1m commissioned services budget. This funds the purchase of services for homeless service users from mainly the Third Sector. Services provided include emergency accommodation, private rented sector accommodation, housing support, outreach support, supported accommodation, supported living and day services.
- 4.3. The non-rent funded accommodation costs are in the main for the support provided to the service users. Housing Benefit will only cover costs that are directly attributable to the property, therefore any care and support that is provided is funded from mainstream budgets.
- 4.4. The Homelessness service is responsible for processing Housing Benefit payments to service users. This also carries the responsibility of reclaiming Housing Benefit Subsidy from the DWP. As we do not receive full recovery in subsidy (see section 6), there is a significant annual shortfall which mainstream funds of £3.6m have been redirected to over a number of years.
- 4.5. The £1.2m from the Scottish Government for the Rapid Rehousing Transition Plan is to fund the core objectives of the Glasgow RRTP, approved by the IJB in [September 2019](#) and updated in [August 2020](#). The plan focuses on homelessness prevention, securing settled housing for all homeless households as quickly as possible and a comprehensive response for those deemed to have multiple and complex needs with tenancy sustainment support being at the core.
- 5. Rent Funding**
- 5.1. As referred to in paragraph 3.2, we undertake an annual exercise to determine the cost of providing temporary accommodation to homeless service users, which forms the weekly rental charge.

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- 5.2. This is made up of all costs relating to the property such as rent, furniture and repairs, and includes an element of the staff costs for those whose work pertains to accommodation tasks such as caseworkers, residential staff, housing benefit staff and accommodation teams.
- 5.3. The total cost is then spread across all of the temporary accommodation units, which include temporary furnished flats, hostels and emergency accommodation, to give a weekly rental charge.
- 5.4. The weekly charge for staying in a temporary furnished flat is on average £154.58, however, the weekly cost to the HSCP for a temporary furnished flat is £298.34 including those elements funded from the mainstream budgets. The difference of £143.76 per week are the costs that are not eligible to be claimed for through Housing Benefit. These are the costs for care and support for the service user rather than costs relating to the property, and therefore are funded from the mainstream budget.
- 5.5. The weekly charge for staying in a hostel is on average £338.03, however, the weekly costs for a hostel place is £781.65 including those elements funded from the mainstream budgets. As with the temporary furnished flats, the care and support for service users is not funded by Housing Benefit. The mainstream costs are a lot higher in hostels (£443.62 per week) as they are staffed 24/7.
- 5.6. The weekly rent is a charge that the homeless service user is liable to pay. Due to the financial circumstances of our service users, the majority are entitled to full Housing Benefit which covers the cost of the rent. 86% of the income we recover for rent charges is through Housing Benefit.

6. Housing Benefit Subsidy

- 6.1. As touched on in paragraph 4.4, when a service user qualifies for Housing Benefit, it is paid out of the Homelessness budget. If they qualify for full Housing Benefit, the amount paid will be equal to the rental charge.
- 6.2. What the homelessness service receives back for the payment of Housing Benefit is Housing Benefit Subsidy. The Housing Benefit Subsidy received for temporary furnished flats is based on the Local Housing Allowance for leased properties, which is an average of £107.05 per week, and is therefore lower than the Housing Benefit paid out. This leaves an average shortfall for temporary furnished flats of £47.53 per week.
- 6.3. The weekly charge for staying in B&B accommodation is on average £370.02. This is the full cost of the accommodation and will be covered by Housing Benefit if the service user is eligible. There is a significant loss to the HSCP for using B&B accommodation as there is a cap on Housing Benefit Subsidy for B&B of £98.08. This is a loss of £271.94 per week for each B&B room used.

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- 6.4. The combination of the monies paid out for temporary and B&B accommodation results in a shortfall in subsidy received.

7. Recommendations

- 7.1. The IJB Finance, Audit and Scrutiny Committee is asked to:
 - a) Note the contents of the report.