Item No: 9

Meeting Date: **Wednesday 28th June 2023**

Glasgow City Integration Joint Board

Report By: **Pat Togher, Assistant Chief Officer, Public Protection Complex Needs**

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Glasgow City HSCP Homelessness Services Recovery Panning Arrangements

Purpose of Report:	This paper is a follow up report since our homelessness recovery planning arrangements were considered at the IJB January 2023. The report summarises financial and resource pressures on Glasgow Homelessness Services and sets out a number of savings proposals which seek to mitigate against financial challenges for the remainder of 2023/24 and beyond.

Background/Engagement:	Glasgow City HSCP Homelessness Services are facing major financial challenges as a consequence of continued high demand for services and resultant high use of bed and breakfast accommodation, inflationary pressures across the service for the supply of goods and services and the impact of the local government pay settlement on employee costs. Whilst Homelessness Services responded quickly to the Covid public health pandemic it is apparent that the provision of Registered Social Landlord accommodation has not kept pace with continual demand resulting in an increased reliance on B and B accommodation. Glasgow City HSCP Homelessness Services have engaged with multiple partner agencies in defining the current pressures. These partners have included homelessness Third sector organisations, the Scottish Government, Registered Social Landlords, Scottish Housing Regulator, Police Scotland and HSCP staff.

Governance Route:	The matters contained within this paper have been previously considered by the following group(s) as part of its development. HSCP Senior Management Team ☒ Council Corporate Management Team ☐ Health Board Corporate Management Team ☐ Council Committee ☐ Update requested by IJB ☒ Other ☒ Workforce engagement with Grade 9 staff and above representative of all care groups Not Applicable ☐

Recommendations:	The Integration Joint Board is asked to: a) Note the progress made since approving changes at IJB in January 2023; b) Note that financial savings since January 2023 have been superseded by the relaxation of Local Connections legislation (November 2022), positive decision making by Home Office and a short fall of 1600 lets; c) Note the additional recovery measures outlined at section 4.2; and d) Note that even with these actions a revised overspend of £11.7m is forecast and will be the subject of future reports.

Relevance to Integration Joint Board Strategic Plan:

The delivery of an effective homeless household is critical to the delivery of the Integration Joint Board Strategic Plan 2019-2022 and the proposed Strategic Plan for 2023-26.

Implications for Health and Social Care Partnership:

Reference to National Health & Wellbeing Outcome(s):	The delivery of an effective and efficient Homelessness Services contributes to a range of National Health & Wellbeing Outcome, including: 1, 2, 3, 5, 7 and 9.

Personnel:	None

Carers:	None

Provider Organisations:	The efficiency savings set out within this paper will have an impact of the level of bed and breakfast accommodation procured from third party providers.

Equalities:	Households affected by homelessness can often face multiple disadvantages and complex needs however this

	policy will impact upon all homeless households and an EQIA will be undertaken post IJB discussion to ensure mitigation wherever possible.

Fairer Scotland Compliance:	None

Financial:	This service is currently forecasting an overspend of £16.596m. Proposals within this report will generate a reduction in expenditure of £4.9m. This will result in a revised forecast of £11.7m which will be the subject of future reports.

Legal:	Proposals in addressing Homelessness pressures are likely to increase risk of non-compliance with statutory duties. This paper sets out proposals which will ensure the HSCP statutory responsibilities remain protected wherever possible whilst delivering the necessary financial savings.

Economic Impact:	None

Sustainability:	None

Sustainable Procurement and Article 19:	None

Risk Implications:	Risks associated with proposed cost efficiencies are detailed within this report.

Implications for Glasgow City Council:	Homelessness Services Officers will implement revised operating procedures set out within the report.

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. Purpose

1.1. This paper is a follow up report since our homelessness recovery planning arrangements were considered at the IJB in January 2023. The report summarises financial and resource pressures on Glasgow Homelessness Services and sets out a number of savings proposals which seek to mitigate against financial challenges for the remainder of 2023/24 and beyond.

2. Background

2.1. Glasgow City HSCP Homelessness Services has significant statutory duties in regard to the prevention and alleviation of homelessness. These duties are discharged through the IJB.

2.2. Glasgow Homelessness Services remain committed to the IJB approved Rapid Rehousing Transition Plan (2019/20 – 2023/24) and all of the associated targets relevant to this paper which includes;

- Reducing time spent in temporary accommodation
- Eradicating the use of bed and breakfast accommodation for homeless people

2.3. Prior to the commencement of the Covid public health emergency (PHE) the HSCP faced challenges in routinely discharging its duty to provide emergency accommodation to people seeking assistance under homelessness legislation which led to the intervention of the Scottish Housing Regulator.

2.4. The commencement of Covid saw a rapid expansion of temporary accommodation provision within the City. This expansion was largely met through increased use of bed and breakfast type accommodation and the leasing of approximately 500 additional properties for use as temporary furnished accommodation. The rapid expansion has enabled the Council to routinely discharge its statutory duty and extend public health protections to households with No Recourse to Public Funds (NRPF) during the period of the PHE. In keeping with Covid recovery planning arrangements Glasgow City HSCP Homelessness Services no longer has responsibility for the provision of emergency accommodation since September 2022 for those with NRPF.

2.5. There is also increasing evidence that the extension of temporary accommodation provision, during Covid, and the subsequent development of care, treatment and resettlement pathways through in-reach work by health and social care services has improved outcomes for our vulnerable homeless population. It is also important to note that the city has made significant progress in addressing rough sleeping, with our commissioned outreach street service routinely reporting the number of people sleeping rough in the City Centre as being in single figures.

2.6. The rapid expansion of temporary accommodation through the increased use of bed and breakfast type accommodation during Covid was funded through the Scottish Government’s Covid-19 monies. This funding is no longer available in 2023/24.

2.7. The arrival of Ukrainian Displaced Persons (UDP) and their families impacted upon homelessness Covid recovery planning arrangements during 2022/23 with a requirement to quickly re-prioritise resources. Glasgow has welcomed over 2500 Ukrainians with a requirement to ensure an infrastructure of support is available to those who require it. The HSCP has worked well with the Scottish Government and Local Authority partners to secure resettlement accommodation for more than 1200 households accommodated on the MS

Ambition ship which departed Glasgow at the end of March. 350 UDP households remain in hotel accommodation commissioned by the Scottish Government while 600 are residing in temporary host family arrangements.

2.8. It remains unclear what impact this will have on Homelessness Services in the longer term, including availability of settled accommodation. However, there is an acknowledgement that UDPs may wish to settle in Glasgow following a period in emergency accommodation or residing with host families. We will continue to work with RSL partners to secure settled lets for UDP households, however it remains the HSCP's position that accommodation for UDP households will be in addition to the current responsibilities in relation to homeless households which includes a population of almost 800 households residing in B&B accommodation.

2.9. Progress - In our previous update to the IJB in January 2023 we obtained approval for the following changes which has since resulted in **savings circa £620k in 2022-23, projected to £2.091m for 2023-24;**

- Ceasing food provision with B&B accommodation. These arrangements have now been actioned following an incremental reduction between January and March 2023.
- Ceasing the payment of personal storage for homelessness households has also been actioned.
- Ceasing the costs of painting and decorating for refurbished properties (with exception of health and safety related priorities) has also been actioned.

Cost Mitigation Options	**Savings achieved - 22/23 (£)**	**Projected Savings - 23/24 (£)**
Revision of Storage of Personal Belongings in Storage Policy & Furniture in Storage	£141,188	£227,250
Revision of Décor maintenance	£483,225	£944,925
Provision of Meals		£918,635
TOTAL	£624,413	£2,090,810

Note: 22/23 Savings based on projected spend based on Weeks 1-28 average against actual spend for 22/23 following implementation of cost mitigation proposals during second half of year.

Challenges

Since our previous update in January 2023 Glasgow Homelessness Services has maintained an upward trajectory for emergency accommodation. **The forecasted Homelessness position for 23/24 is an overspend of £16.6m.**

2023/24 Revised Position and Update on Savings Targets

Subjective Heading	Proposed Actions (Jan 2023)	23/24 Gross Projection	Forecasted FY Impact of Proposed Actions to date	Revised Projection 23/24
Employee Costs	0	-69,651	0	-69,651
Premises Costs	-2,234,000	3,060,180	-1,172,176	1,888,004
Transport Costs	0	-55,890	0	-55,890
Supplies and Services	-787,000	1,366,107	-918,635	447,472
Third Party Payments	-2,466,000	7,598,335	2,141,017	9,739,352
Transfer Payments	0	-1,252,537	0	-1,252,537
Gross Expenditure	**-5,487,000**	**10,646,545**	**50,206**	**10,696,750**
Income	0	5,949,319	0	5,949,319
Net Expenditure	**-5,487,000**	**16,595,863**	**50,206**	**16,646,069**

The January IJB report on Homelessness savings proposals intended to deliver savings of approximately £5.487m in value and consisted of:

- Reduction in Void Property timescales and Bed & Breakfast - £2.466m
- Revision of storage of Personal Belongings/Furniture policy - £0.834m
- Revision of Décor Maintenance - £1.400m
- Ending of provision of meals to Bed & Breakfast - £0.787m
- Total Savings Proposed - £5.487m

Based on actions implemented on the above during the latter half of the 22/23 financial year there has been a forecasted reduction in decoration (£0.945m) and Furniture/Personal Belongings in Storage (£0.227m) for 23/24 based on latest figures. While this has not met the savings targets established in January 2023 initial figures are showing a downward trend which will hopefully continue through the financial year. Regarding the food provision the final cost for 22/23 was £0.919m and this has been discontinued for the 23/24 financial year, leading to an over-recovery on the savings target of £0.787m by £0.132m.

Unfortunately, due to increased levels of Bed & Breakfast use we are failing to meet the established target of £2.466m, and forecasted figures suggest an additional pressure of £2.141m.

Overall, the net impact of the savings targets is an additional overspend of £0.050m to the current 23/24 Homelessness position. This is largely as a result of the increased usage in Bed & Breakfast accommodation which is negating efforts made in reducing decoration & storage costs and discontinuing food provision.

2.10 In our previous update to the IJB in January 2023, we envisaged the modification of the Local Connection Power within the Housing (Scotland) Act 1987, which came into force on 29th November 2022, would likely place increased pressures on the HSCP. In essence, the removal of the local connection power means that the local authority has a duty to secure settled accommodation for any unintentionally homeless household, regardless of where they were resident in Scotland prior to the application. The HSCP had previously highlighted our concern to the Scottish Government that the modification of the local connection would place additional pressure on the service in relation to the provision of emergency and settled accommodation and threaten our ability to discharge our statutory duties.

2.11 We continue to monitor the impact of the revised duties on the HSCP. Recent analysis indicates that between 29th November 2022 and 15th May 2023, 98 Scottish households were assessed as having no local connection to Glasgow. 75 of these households have accessed interim accommodation, spending a total of 3,557 days in interim accommodation. Analysis of the financial impact on the HSCP indicates that over this 24-week period the total cost of providing interim accommodation to 'no local connection' households was £284,560. Based on the current level of demand from households with no local connection to Glasgow, emergency accommodation costs over the course of 2023/24 are projected to be around £1.6m, taking into account a projected increase in cases throughout the year as households become more aware of their rights. In recognition of the level of complexity experienced by homelessness service users there remains a requirement to re-calculate these costs when considering the greater impact on additional support needs including addiction, mental health services etc. It is also important to note that no new funding was provided to the HSCP to reflect the additional statutory duty and that the increased pressures on the supply of settled lets is likely to result in longer stays in B&B accommodation. The HSCP continues to engage with the Scottish Government to highlight and seek additional support to reflect the impact of the policy change.

2.12 Glasgow Homelessness Services' financial challenges will be exacerbated by the removal of COVID-19 monies (£11.689m claimed 22/23). B&B/Hotel accommodation accounts for approximately 750 placements across the city which compares with pre-Covid figures of approximately 240. The increase of 500 temporary furnished flats being utilised by the HSCP for homeless accommodation is also creating increased budgetary pressures. A key route for the HSCP to reduce temporary accommodation use is to increase the speed that it resettles homeless households. As a stock transfer authority, the HSCP works with the city's Registered Social Landlords (RSLs) to secure settled housing for homeless households.

2.13 A core element of the cost pressures facing the HSCP is the over reliance on B&B to provide emergency accommodation for homeless households. A key element to reducing B&B use is working with the city's RSLs to increase the number of settled lets secured for homeless households. The Local Letting Plan for 2023/24 was completed in March 2023 at which point we confirmed that Glasgow had experienced a shortfall in securing lets totaling irca 1600. These figures are based on a requirement to secure 4500 lets annually, however during 2022/23 Homelessness Services were provided with 2900. Based on our locality planning analysis the Assistant Chief Officer Public Protection and Head of Housing (NRS) wrote to all RSLs requesting 60% of all social housing lets for the resettlement of homeless households. This reflects the need to rapidly reduce the HSCP's reliance on bed and breakfast accommodation.

2.14 The HSCP continues to work constructively with RSLs to increase the speed at which homeless households are resettled. Building on the Local Letting Community structures a series of engagement sessions have taken place with senior managers from RSLs and the Assistant Chief Officer, Public Protection and Complex Needs, the HSCP's Head of Homelessness and NRS Head of Housing seeking assurances and feedback on the ask. Further sessions have taken place during May 2023. Whilst feedback has been relatively positive it remains apparent that RSLs are experiencing significant challenges which may prevent them securing the necessary quota, thus placing additional pressures on homelessness and projected longer periods of time spent within hotel and B&B accommodation.

2.15 Homelessness Services have also worked with RSL and NRS colleagues to improve understanding of the availability of RSL properties to let. This improved information flow allows for better targeting of referrals for the rehousing of homeless households through the Section 5 process.

2.16 Since the last report to the IJB in January 2023, the HSCP has seen an increase in the level of demand for B&B accommodation. The main drivers of this appears to be an increase in requests for assistance from people affected by homelessness. In addition, the decision of Mears and the Home Office to accelerate the numbers of people being moved out of accommodation following successful asylum claims has resulted in additional pressure of circa 600 households. During the first weeks of May this demand has translated into 50 presentations per week seeking homelessness emergency accommodation and resulted in hotel and B&B accommodation numbers increasing to almost 800 with spot purchasing of higher cost hotels now becoming the norm in order to sustain statutory duties.

3. Summary

3.1 It has been acknowledged that Glasgow Homelessness Services has achieved considerable progress in recent years particularly with regard to our response to the Covid-19 Public Health Emergency resulting in rapid accessible accommodation for those who require it while ensuring sustained reduction in rough sleeping figures. However, operating such a highly accessible service with limited governance/risk oversight at the point of entry

presents significant risk especially when services are offering emergency accommodation during out of hours periods. This is particularly apparent given the complexity of need spread across the volume of almost 750 households and the lack of information available to case managers when dealing with service users who would otherwise have accessed services within their own local authority prior to the relaxation of Local Connection in November 2022.

3.2 Examples of broad complexity of need includes prison release, addiction, mental health, and offending. It also remains apparent that many service users are residing within City Centre hotels for extended periods of time including a small proportion of those who have declined offers of settled accommodation. Many are also experiencing re-occurring homelessness often as a result of their dissatisfaction with existing Temporary Furnished Flat accommodation. Additionally, a continuing small number are offered emergency accommodation but fail to turn up as expected.

3.3 In response to extensive audit and review work it has been established that a more rigorous approach must be applied in order to slow down the existing trajectory of demand and recurring homelessness while also providing a robust, proactive care management model within the context of the IJB/HSCP's key strategic priorities including maximising independence wherever possible. This will require a shift in practice from the existing porous model seen as a necessity during Covid to a system that operates within a model of risk enablement underpinned by a strength-based approach recognising that offers of emergency accommodation will be constrained by financial pressures. The revised approach will see investment in staff training and development to support the enhancement of safeguarding approaches to service delivery.

3.4 Homelessness Services will also examine admission criteria and governance arrangements in relation to supported accommodation resources in order to ensure appropriate placement management and that the service maximises independence with improved efficiencies and more rapid exit planning. Work is also underway to enhance joint working across key partner agencies and improve risk management for service users with complex case histories.

3.5 It should also be noted that whilst Glasgow Homelessness Services have fully complied with our statutory duty to provide emergency accommodation we equally recognise that by doing so we are in breach on the Unsuitable Accommodation Order by more than 600 households.

4. Recommendations for recovery planning arrangement

4.1 If no further action is taken this service will overspend by £16.646m. The status quo option would recognise the continual trajectory of demand with particular reference to the impact Local Connections legislation, and the projected increase in domestic homelessness demand based on retrospective forecasting**.**

Status Quo Position

Pros	Cons	Mitigation
Retain compliance with local connection requirements and requirement to provide emergency accommodation	Increasing numbers of people with complex needs residing in hotels and B&B accommodation	Service user engagement
	Additional services required to sustain and support those in hotel and B&B accommodation.	
	Significant financial pressures on HSCP and non compliance with agreed targets	
	Extended stays in hotels within city centre and increasing safeguarding challenges	
	Targets to cease the usage of B&B and hotel accommodation within lifetime of RRTP unachievable	

4.2 Glasgow Homelessness Services recognises that the status quo is not a viable position given the existing pressures and the momentum behind the current trajectory. Decisive action will be required in order to address the current pressures. However, we equally acknowledge that any decision will potentially impact upon our statutory duties. These measures will be required with immediate effect and are considered accordingly.

(i) **Unless the ongoing discussion with Scottish government are able to implement a financial framework to support local connections we would need to revise existing responses to local connection changes and adopt risk management process.** This would recognise that we require a detailed oversight of the admission process to emergency accommodation and reflects a requirement to prioritise under exceptional circumstances. This has the potential to save the service £1.3m over the next 9 months.

Pros	Cons	Mitigation
Ensure greater risk oversight and protection of vulnerable population residing in emergency accommodation. Slow down admission to emergency accommodation	Risk of non-compliance with legal duties	Proactive engagement with neighbouring local authorities seeking alternative options
Increased likelihood of achieving savings targets as set out Jan 2023. Opportunity to shift investment towards Glasgow needs and re-occurring complex needs	Reputational risk to HSCP	Scottish Housing Regulator engagement
Reduce risk of uncertainty	Risk of judicial review	Local authority engagement
Reduce waiting lists for settled accommodation	Risk of non-compliance with local connection requirements	
Increased likelihood of achieving RRTP targets including the eradication of B&B accommodation for those experiencing homelessness.		

(ii) **Ceasing spot purchase arrangements of high cost hotel accommodation and incrementally reducing the supply of bed and breakfast placements commensurate with proposed reduction as agreed at the IJB in Jan 2023**. This has the potential to save the service £3.6m over the next 9 months.

Pros	Cons	Mitigation
Targets in keeping with proposed plans agreed via IJB in January 2023. Increased likelihood of achieving RRTP targets including the eradication of B&B accommodation for those experiencing homelessness.	Increase risk of rough sleeping	Emphasis on prevention, engagement with commissioned services, prioritise risk and vulnerability
Mitigate financial pressures	Risk of breaching statutory duties	Emphasis on prevention, engagement with commissioned services, prioritise risk and vulnerability
Fewer households in hotel accommodation	Reputational risk	Priority of need/risk assessment
Opportunity to invest in care planning arrangements		Communication re' waiting times

This option would also include the establishment of a multi-disciplinary task force to decommission an identified hotel in order to expedite recovery planning arrangements towards the January agreed financial target**.** The

taskforce will work with service users to secure rapid move on to settled accommodation and supported accommodation services with agreed target date of approximately 3 months. We propose to test this approach and in recognition that that the Charles Rennie Mackintosh may provide a significant contribution towards the scale of savings necessary and would provide the template for replicating the model elsewhere. This proposal will require an agreed reduction in emergency hotel and B&B accommodation operating in tandem.

The HSCP has experience of successfully decommissioning accommodation services and securing positive outcomes for residents, most recently the Bellgrove Hotel. Safeguarding and detailed risk management arrangements will be applied in order to minimise the risk to service users.

Risks

Given the level of demand for emergency accommodation there is significant risk to the HSCP in reducing in the use of B&B places to the levels envisaged. Despite all attempts to mitigate risk as detailed there remains a risk that Glasgow Homelessness Services will breach statutory duties to provide emergency accommodation. There is also an increased likelihood of rough sleeping and hardship for service users, reputational damage and potential judicial sanctions and additional costs. Whilst acknowledging the risk involved it is worth noting that these proposals are considered to be the least impactful when compared with the status quo, financial pressures and the increasing trajectory of demand.

Risk mitigation, in reducing bed and breakfast use, is highly reliant on Homelessness Services securing a continued increase in the numbers of settled lets for homeless households, improved outcomes in relation to prevention activities, and improvements in void property management processes for temporary furnished flats.

4.3 Introduction of both recovery plans will reduce expenditure by £4.9m in 2023-24 and result in a revised forecast of £11.7m.

5. Recommendations

5.1 The Integration Joint Board is asked to:

a) Note the progress made since approving changes at IJB in January 2023;
b) Note that financial savings since January 2023 have been superseded by the relaxation of Local Connections legislation (November 2022), positive decision making by Home Office and a short fall of 1600 lets;
c) Note the additional recovery measures outlined at section 4.2; and
d) Note that even with these actions a revised overspend of £11.7m is forecast and will be the subject of future reports.

Direction from the Glasgow City Integration Joint Board

1	**Reference number**	280623-9
2	**Report Title**	Glasgow City HSCP Homelessness Services Recovery Planning Arrangements
3	**Date direction issued by Integration Joint Board**	28 June 2023
4	**Date from which direction takes effect**	28 June 2023
5	**Direction to:**	Glasgow City Council only
6	**Does this direction supersede, revise or revoke a previous direction – if yes, include the reference number(s)**	No
7	**Functions covered by direction**	Homelessness Services
8	**Full text of direction**	Glasgow City Council is directed to implement the recovery planning arrangements proposed as section 4 of this report.
9	**Budget allocated by Integration Joint Board to carry out direction**	Completion of this Direction will result in reduction in the cost of delivering the services and is required to be undertaken to address the overspend within this budget area.
10	**Performance monitoring arrangements**	In line with the agreed Performance Management Framework of the Glasgow City Integration Joint Board and the Glasgow City Health and Social Care Partnership.
11	**Date direction will be reviewed**	28 June 2024