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Glasgow City Council

City Administration Committee

Report by Interim Chief Officer, Glasgow City HSCP

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**Item 9**

23rd January 2020

**HOMELESSNESS SERVICES: TEMPORARY HOMELESSNESS  
ACCOMMODATION CHARGES FOR 2020/21**

**Purpose of Report:**

To set charges for homelessness temporary accommodation for 2020/21.

**Recommendations:**

The City Administration Committee is asked to approve:

- (1) an average weekly charge for temporary furnished accommodation of £148.56, an increase of 3%;
- (2) a 3% increase to hostel rents, being a weekly charge of £338.04 for the Chara Centre, Elder Street, James Mclean, Rodney Street, Maxwell Drive and Portman Street; and
- (3) the new charges effective from 30<sup>th</sup> March 2020.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes  No  consulted: Yes  No

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### 1. Purpose of Report

- 1.1 The purpose of this report is to set charges for homelessness temporary accommodation for 2020/21.

### 2. Background

- 2.1 In line with the policy approved by Committee in previous years, 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.

### 3. Legislation

- 3.1 There are two sections in the Housing (Scotland) Act 1987 that must be complied with when setting charges for temporary accommodation, Section 35(2) and Section 37.

- 3.2 Section 35(2) of the Housing (Scotland) Act 1987 states:

“Without prejudice to section 210(1), a Local Authority may require a person to whom they were subject to a duty under section 29,31 or 34 (interim duty to accommodate pending inquiries and duties to persons found to be homeless)

- (a) to pay such reasonable charges as they may determine in respect of accommodation which they secure for his occupation (either by making it available themselves or otherwise), or
- (b) to pay such reasonable amount as they may determine in respect of sums payable by them for accommodation made available by another person”.

- 3.3 In fixing the rent charges we believe that a reasonable amount is based on charges which allow for cost recovery.

- 3.4 An average charge is set based on a 2 Apartment property and adjustments are made up and down depending on the various apartment sizes.

- 3.5 Section 37 of the 1987 Act states:

“Guidance to authorities by the Secretary of State.

- (1) In relation to homeless persons and persons threatened with homelessness, a relevant authority shall have regard in the exercise of their functions to such guidance as may from time to time be given by the Secretary of State.

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- (2) The Secretary of State may give guidance either generally or to specified descriptions of authorities”.
- 3.6 The Scottish Government published an interim update to their Code of Guidance on Homelessness in November 2019:  
<https://www.gov.scot/publications/code-guidance-homelessness-2/pages/15/>
- 3.7 Paragraph 8.84 Charges – states:  
“An applicant can be asked to pay a reasonable charge for any accommodation provided directly by the local authority; or a reasonable amount for accommodation supplied by another housing provider but paid for by the local authority (Section 35(2) of the 1987 Act). In deciding what is reasonable, the local authority should take account of what the applicant can pay in the longer term. If an applicant is being asked to pay for accommodation provided by or paid for by the local authority then the applicant should be informed in advance of the cost of the accommodation. They should also be assisted when applying for benefit to cover the cost of such accommodation. The local authority should take account of, and advise of, the likely level of benefit when considering charges”.
- 3.8 In fixing the rent charges, the Council must have regard to the Scottish Government’s Code of Guidance on Homelessness (interim update) November 2019, in particular paragraph 8.84.
- 3.9 In exceptional circumstances, consideration will be given to the charges applied.
- 4. Management Fee**
- 4.1 Since April 2017, the temporary accommodation management fee has been funded through a devolved grant from the Scottish Government.
- 4.2 The fund devolved to Scotland in 2020/21 is estimated to be £23.5m. There has not yet been any notification to Glasgow confirming the funding to be received.
- 4.3 We have made assumptions based on the distribution of the 2019/20 grant, and have estimated an annual grant of £4.6m.
- 5. Temporary Furnished Flats 2020/21**
- 5.1 It is estimated that the pool of flats available for 2020/21 will remain static. The number of income generating units in 2020/21 over which to spread costs is therefore estimated to be 1,387.
- 5.2 In arriving at the recommended reasonable charge regard has been had to the Scottish Government Code of Guidance (interim update November 2019), and in particular paragraph 8.84. It has, however, been decided to recommend a reasonable charge which reflects the cost of providing the accommodation. Such a charge is a reasonable charge in terms of section

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35(2) of the Housing (Scotland) Act 1987. The cost of the provision of the pool of temporary furnished flats in 2020/21 to be met by rental income is £10.7m. The proposed average (2 Apartment) rent charge is therefore £148.56, an increase of £4.24 (3%) on 2019/20. This charge will have limited adjustments for different sized properties.

### 6. Separate Rent Charge for Hostels

- 6.1 Since April 2011, hostels owned by the Council, Chara Centre, Maxwell Drive, Portman Street and Rodney Street 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.
- 6.2 It is proposed that the pooled rent charge set in 2020/21 for Chara Centre, Portman Street, Rodney Street, Maxwell Drive, Elder Street and James Mclean hostels be set at £338.04 per week, an increase of 3% on the 2019/20 charge of £327.98.
- 6.3 Rents are set on a cost recovery basis, and service users who are entitled to full housing benefit will receive housing benefit at the level of the rent charge applied. The charge is recommended on the same basis set out at paragraph 5.2 of this report.

### 7. Policy and Resource Implications

#### Resource Implications:

*Financial:* The measures outlined above 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 require to be managed across the Social Work budget within the Council's allocation to the Integration Joint Board.

*Legal:* No legal issues

*Personnel:* No direct personnel issues

*Procurement:* No procurement issues

**Council Strategic Plan:** Supports the Council's outcome of creating a "Healthier City" and relates to priority 46. Priority 46: Deliver the homelessness strategy in partnership with providers, building on the recommendations of the homelessness summit and strengthening the Rough Sleepers' Initiative approach.

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**Equality and Socio-Economic Impacts:**

*Does the proposal support the Council's Equality Outcomes 2017-22* No specific outcome

*What are the potential equality impacts as a result of this report?* N/A

*Please highlight if the policy/proposal will help address socio economic disadvantage.*

**Sustainability Impacts:**

*Environmental:* None

*Social, including opportunities under Article 20 of the European Public Procurement Directive:* None

*Economic:* None

**Privacy and Data Protection impacts:** None

**8. Recommendations**

8.1 City Administration Committee is asked to approve:

- (1) an average weekly charge for temporary furnished accommodation of £148.56, an increase of 3%;
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- (3) the new charges effective from 30<sup>th</sup> March 2020.