

DRAFT

HOUSING AND ENVIRONMENT COMMITTEE

26 October, 2010

HOMELESSNESS – FINANCE PRESSURES (H&E/10/168)

With reference to article 17 of the minute of meeting of Council of 30 June, 2010, the Committee had before it a report by the Director of Housing and Environment which detailed the financial implications associated with the continued use of bed and breakfast accommodation.

The report (1) outlined the reasons for the cost pressures occurring; (2) detailed the current financial position in this regard; and (3) presented a number of proposals as to the way forward, as follows:

- that the number of bed and breakfast establishments being used on a daily basis, be reduced to 100 (from 160) by (a) getting applicants to stay in their current accommodation for one month in order for their situation to be properly assessed; (b) encouraging more use of hostel accommodation; and (c) working with intentionally homeless and non priority persons in temporary accommodation with a view to moving them on timeously.
- that the charge the Council pays to bed and breakfast proprietors be reduced, by negotiation, to an average of £37 per night.

- that the service charge levied per week to cover the management cost of temporary furnished properties, be increased from £152 per week, to £300 per week. This increase would need to be properly managed to ensure that it was eligible for housing benefit, and adequate documentation would be required to be produced in order to satisfy any future external audits. Further, the report advised that temporary accommodation properties attracted a full subsidy from the Department of Work and Pensions, so any additional revenue would supplement existing departmental budgets.

In relation to the proposal to increase the service charge for temporary furnished properties, the report suggested that whilst this charge was flat rate, that this could be reviewed for 2011/12 to be a scaled charge, dependant on property size; and that an annual agreed uprating would ensure that charges remained consistent with costs.

The Committee resolved:-

- (i) to request that a report be brought to the next meeting expanding upon section 11.4 of the report (and specifically the comment made within this section that Edinburgh City Council had more fluid capacity to write off arrears, which were not available to this Council), and for this report to include the full costs of bed and breakfast accommodation, hotels and hostels in the city;

- (ii) to approve the proposed actions to reduce the usage of bed and breakfast accommodation;
- (iii) to agree that the charge the Council pays to bed and breakfast proprietors, be reduced, subject to the approval of the Finance and Resources Committee; and**
- (iv) to approve in principle, the increase in the service charge for temporary accommodation (from £152 per week, to £300 per week), subject to the approval of the Finance and Resources Committee.**