

Scottish Government submission of 24 November 2022

PE1946/C: To call on the Scottish Government to pay all charges for homeless temporary accommodation

In response to the Committee's question on the forthcoming Housing Bill, I can advise that provisions to prohibit local authorities from charging individuals for the provision of temporary accommodation have not been considered for inclusion in this Bill. Instead, the Bill will focus on rented sector reforms, further strengthening existing rights for tenants, and introduce new homelessness prevention duties. These duties, as well as amending existing homelessness legislation to allow local authorities to act at an earlier stage, will ensure that public bodies 'ask and act' about potential homelessness. Our approach is guided by the principles that prevention should be a shared public responsibility and, by intervening at an earlier stage and encouraging services to work together to respond to people's needs, we can ensure fewer households experience the disruption and trauma of homelessness or the need to use temporary accommodation.

The Housing (Scotland) Act 1987 allows local authorities to make reasonable charges for temporary accommodation. Charges for local authority homelessness services have to cover the funding for providing the temporary accommodation, as well as staffing costs for providing these services. Temporary accommodation charges are a matter for individual councils and are based on local need.

Homeless Action Scotland's [Exclusion of Working Homeless](#) report shows that working people are less likely to take up offers of temporary homeless accommodation because they are put off by the higher charges, and that there are inconsistencies in local authority pursuance of any debt associated with the cost of temporary accommodation.

The Scottish Government encourages all local authorities to take a person-centred approach and to take individual circumstances into account when deciding how much to charge for temporary accommodation. The Legal Services Agency's report on [temporary accommodation charges](#) recommends that local authorities' policies on

charges for temporary accommodation should align with the human right to adequate housing and the Code of Guidance on Homelessness. The Code states individual circumstances must be taken into account when charges are set.

The Scottish Government agrees that the cost of temporary accommodation – both to the household and local authorities – can be expensive. In line with Housing to 2040 commitments, we have established a short-life working group of stakeholders and experts from across the housing sector, including tenants and tenant groups, to develop a shared understanding of housing affordability to help us better understand the housing affordability problems experienced by particular groups. This group will consider the impact of charging practices on the use of temporary accommodation.

Regarding the Committee's question on paying for temporary accommodation, the Scottish Government's policy towards local authorities' spending is to allow local authorities the financial freedom to operate independently. As such, the vast majority of homelessness funding provided to local authorities in the annual local government finance settlements has been included in the block grant. In addition to the funding provided through the local government settlement, we are providing local authorities an annual share of £23.5 million for homelessness prevention and response measures in 2022-23. We are also providing local authorities with an annual share of £8 million to support the implementation of rapid rehousing transition plans, which aim to reduce the use of temporary accommodation by moving people into settled accommodation as quickly as possible.

Following savings of £560 million announced on 7 September, the Deputy First Minister announced additional savings of £615 million as part of the Emergency Budget Review to support the urgent priorities of enhancing public sector pay and cost of living support while maintaining a route to complying with Ministers' responsibility to balance the budget. This financial context places unprecedented pressure on the Scottish Budget for 2023-24, reducing its ability to commit to significant new programmes of expenditure.

The Scottish Government has no plans to pay for homeless temporary accommodation nor waive the outstanding debt owed by homeless households to local authorities for temporary accommodation. Instead, our preferred approach is to reduce the use of temporary

accommodation which is why, as previously stated, we have commissioned an expert group to work with us to find solutions.

I hope this response is helpful to the Committee in its consideration of petition PE1946.