



Moray Council's Temporary Accommodation Charging Policy

This leaflet tells you about the amount of rent that we charge for temporary accommodation and the amount of rent that we will recover from you, depending on your circumstances. If you have any questions that we do not answer here, please contact us. Our contact details are at the end of this leaflet.

Jargon buster

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| Housing Benefit | Housing Benefit is available to help people who are on low incomes to pay their rent. The amount awarded depends on the personal circumstances of the tenant and the rent of the property. |
| Local Housing Allowance | Housing Benefit for private sector tenancies is called Local Housing Allowance (LHA). |
| Management fee | This covers the cost of decoration, voids, electric/gas checks, deliberate damage, furnishings and floor-coverings. |
| Occupancy agreement | This is the agreement that tenants sign when they move into temporary accommodation. It sets out rights and responsibilities. |
| Shared accommodation rate (SAR) | The Shared Accommodation Rate (SAR) limits the Housing Benefit that a single person under the age of 35 can receive. This amount is deemed to be the same as the average rent level charged for a room in a shared house. |
| Temporary accommodation | This is accommodation used to house homeless applicants. It includes hostels, furnished properties and accommodation in the private sector. |
| Universal Credit | Universal Credit is a single monthly payment for people on a low income or out of work. It replaces some benefits and tax credits. For example, some people may receive the housing costs element of Universal Credit instead of Housing Benefit. |

The temporary accommodation charging policy

We know that rent levels for temporary accommodation are higher than those for council housing. This can result in certain forms of temporary accommodation being unaffordable for some households, for example, those who are in employment or are not entitled to housing benefit. To reduce the effect of this, we changed the way that we charge for temporary accommodation.

How does the temporary accommodation charging policy work?

The policy aims to make sure that temporary accommodation is affordable for everyone. To do this, the amount of rent we charge is now based on the Local Housing Allowance (LHA), with the addition of a set management fee.

When setting the rent levels for temporary accommodation, we will charge every household the same level of rent, regardless of income. However, we will only seek to recover those costs that we can reasonably be expected to collect. This amount considers your ability to pay, for example, if you are working or you are in receipt of Housing Benefit or Universal Credit. We explain this in more detail below.

How much will I be charged for my temporary accommodation?

The level of rent charged for temporary accommodation will be set in line with the Local Housing Allowance, plus a £45 management fee (service charge). The rent levels for April 2022 – March 2023 are shown below:

| Property size | LHA rate per week | Rent charged (including management fee) |
|---------------------------------|--------------------------|--|
| Shared accommodation rate (SAR) | £74.79 | £119.79 |
| 1 Bedroom | £97.81 | £142.81 |
| 2 Bedroom | £126.58 | £171.58 |
| 3 Bedroom | £146.14 | £191.14 |
| 4 Bedroom | £184.11 | £229.11 |

The amount of rent is based on the size of the property, unless you are single and are under 35 years old. In line with LHA rules, single people under the age of 35 are charged a shared accommodation rate (SAR). This means that you will only be entitled to enough

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LHA to cover the average cost of a single room in a shared house. There are some exemptions to this – if you want more information, please ask us.

What is the management fee?

The management fee is used to cover the costs of maintaining temporary accommodation including the cost of decoration, electric/gas checks, deliberate damage, furnishings, floor coverings and so on.

What do you mean by “seek to recover”?

What we “seek to recover” means the amount of rent that you must actually pay. We will consider if you are working or if you get help with your housing costs from Housing Benefit. Help with housing costs for claimants living in 'temporary accommodation' are covered by Housing Benefit, not Universal Credit.

Generally, if you are a tenant in temporary accommodation and:

- **you are entitled to full Housing Benefit**, we will seek to recover all of the rent charged. In most cases, the amount of Housing Benefit you get will be the same as the rent charged. See **example one** on page 4.
- **you get partial Housing Benefit**, we will only seek to recover a reasonable charge. We have assessed this as being the same as the average Council house rent for a property of the same size, with an additional ten percent of this amount. If the amount of Housing Benefit that you get is more than this amount, then we will recover all of the Housing Benefit you get. If the amount of Housing Benefit you get is less than this amount, you will have to pay the difference. See **example two** on page 4.
- **you are working**, we will only seek to recover a reasonable charge. We have assessed this as being the same as the average Council house rent for a property of the same size, with an additional ten percent of this amount. The additional ten percent will go towards the cost of the management fee. See **example three** on page 5.
- **you are single, under 35 years of age and are entitled to Housing Benefit** you will be charged the Shared Accommodation Rate. See **example four** on page 5.

What is the average council house rent?

The average weekly council house rent is shown below together with the additional 10%.

| Size of property | Average rent per week | + 10% | Total |
|------------------|-----------------------|--------|---------|
| Bedsit | £44.18 | £4.41 | £48.59 |
| 1 bedroom | £59.73 | £5.97 | £65.70 |
| 2 bedroom | £70.13 | £7.01 | £77.14 |
| 3 bedroom | £81.34 | £8.13 | £89.47 |
| 4 bedroom | £102.78 | £10.27 | £113.05 |

Examples of what you might have to pay

| Example one | You are entitled to full Housing Benefit |
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| <p>You rent a two bedroom temporary accommodation property. The rent that is charged for the property will be £171.58 per week, including the management fee. We will seek to recover all of this, but this should be covered by the Housing Benefit that you get.</p> | |
| Example two | You are entitled to partial Housing Benefit |
| <p>You rent a one bedroom temporary accommodation property. The rent that is charged for the property will be £142.81 per week. The amount that we will seek to recover from you is equivalent to the average rent for a council property of the same size plus ten percent towards the management fee.</p> <p>The average council rent for a one bedroom property is £59.73 per week. The amount that we will seek to recover from you is £65.70 (the average council house rent for a one bedroom property, plus ten percent).</p> <p>If the amount you get in Housing Benefit is more than this, we will recover all of the Housing Benefit you get. If the amount that you get is less than this, you must pay the difference.</p> | |

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| Example three | You work full time and are not entitled to Housing Benefit. |
| <p>You rent a three bedroom temporary accommodation property. The rent that is charged for the property will be £191.14 per week, including the management fee. The actual amount that we will seek to recover from you is equivalent to the average rent for a council property of the same size plus ten percent towards the management fee.</p> <p>The average council rent for a three bedroom property is £81.34 per week. The amount that we will seek to recover from you is £89.47 (the average council house rent for a three bedroom property, plus ten percent).</p> | |
| Example four | You are single and under 35 years of age and entitled to the Shared Accommodation Rate and entitled to Housing Benefit |
| <p>If you are single and under 35 years old, the amount of rent you will be charged is £119.79 per week, including the management fee. If you are in receipt of full Housing Benefit, the amount that you get will cover the rent.</p> | |

When will I know how much I will have to pay?

When you sign your occupancy agreement, we will tell you how much the rent for the property is. We can tell you the maximum amount that we will seek to recover from you. We will tell you how to apply for Housing Benefit and can help you fill out your form. Once we know if you are entitled to Housing Benefit, we will write and tell you how much we will seek to recover from you. Until then, you should try and pay as much of the rent as possible.

How can I check what rent I owe?

You can check your rent balance online anytime at www.moray.gov.uk/rentbalance.

You will need to log in to your “**myaccount**” which is the online customer account portal. If you do not have an account already, you can register and create an account.

To access your rent account balance, you will need to enter your rent account reference number (the one with the dashes) e.g. 01-123-45-67.

How can I get support?

If you are having difficulties paying your rent, please let us know as soon as possible. We can discuss your situation and review your options. For example, we can give you advice and may be able to agree a repayment plan with you.

The earlier you get in touch, the earlier we can review your options and try to stop your rent arrears increasing.

If you would like advice and support to help you manage your money, please contact us. We can arrange help.

More information

For more information, please contact:

The Supported Accommodation Team
PO BOX 6760
Elgin
IV30 1BX

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You can also find more information on our website at www.moray.gov.uk/housing.