



# Temporary Accommodation Charging Policy

We know that sometimes a policy can be challenging to read. We have made a question and answer version of our Temporary Accommodation Charging Policy below. If you have any more questions or if there is something that you do not understand, contact us and we will try to help.

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### **What is the purpose of your Temporary Accommodation Charging Policy?**

The Temporary Accommodation Charging Policy was agreed by the Housing and Community Safety Committee on 12 September 2023. It sets out the framework we use in the charging of rent and service charge to homeless households for the provision of temporary accommodation.

### **How does the Temporary Accommodation Charging Policy fit with other strategies?**

It will help us to tackle homelessness, which meets the aims of Moray 2027, the Local Housing Strategy and the Rapid Rehousing Transition Plan.

### **What is the overall aim of the Temporary Accommodation Charging Policy?**

The overall aim of the policy is to ensure that rent and service charges for temporary accommodation are set at an affordable level, provide financial sustainability and meet the cost of delivering temporary accommodation provision.

### **What are the objectives and principles of the Temporary Accommodation Charging Policy?**

The objectives are:

- we will use a cost effective and fair rent and service charge setting process;
- to make sure that temporary accommodation is affordable for everyone and doesn't discourage people from working;
- to make sure that we generate enough income to cover the costs of delivering and managing temporary accommodation;
- to make sure that we recover the maximum amount of rent and service charges; and
- to use recovery practices which take into account a household's income, while also making sure that those with the means to pay, do pay.

The principles of the policy are to:

- meet the terms which are set out in legislation and guidance and promote best practice;

- make sure that the service is delivered consistently and that agreed practices are applied equally across our service;
- deliver good quality services which are efficient and effective; and
- deliver services that follow to the principles of equal opportunities.

### **What law and guidance relates to the Temporary Accommodation Charging Policy?**

By law, we have a duty help applicants who are homeless or threatened with homelessness. This is set out in the Housing (Scotland) Act 1987, as amended. These duties include providing temporary accommodation until such time as we have determined the outcome of their homeless application.

Housing law states that where we provide temporary accommodation to homeless households, they should pay a reasonable charge. What is “a reasonable charge” is decided by the local authority.

The Code of Guidance on Homelessness states that we should:

- take account of what an applicant can pay in the longer term;
- tell the applicant, in advance, about the cost of the accommodation;
- help the applicant to apply for benefits to cover the cost of the accommodation; and
- take account of the likely level of benefit when considering the charges.

### **How does the Temporary Accommodation Charging Policy take affordability into account?**

We understand that the cost of temporary accommodation is higher than for council housing. We know that this can result in temporary accommodation being unaffordable for those some households, for example people who are working or who are not eligible for Housing Benefit.

To help us take affordability into account we will:

- carry out a household assessment to consider if the accommodation is affordable for a household;

- take into account the person's ability pay charges in the longer term;
- give advance notice to of any charges;
- help applicants to apply for benefits to pay any charges; and
- take account of the likely level of benefit when considering charges.

### **What is the charging regime for temporary accommodation?**

When deciding what a reasonable amount to charge is, we must make sure that we cover all of the costs for providing this accommodation. This includes the cost of management, service delivery, maintenance and repairs and void periods of the accommodation.

The charging regime for temporary accommodation made up by a baseline rent and a homeless service charge.

### **How do you set rents for temporary accommodation?**

The rent is the same as the average council house rents, based on the size of property. We will review and update the amount of rent each year.

### **What is the homeless service charge?**

The homeless service charge is set to meet the cost of providing temporary accommodation to homeless households. This includes:

- housing management costs linked to providing temporary accommodation;
- maintenance costs, including furnishings, equipment and utilities;
- void rent loss (when the property is empty);
- staff costs; and
- repair and renewal costs.

We will review the homelessness service charge every year as part of our budget setting process and will make sure that the income generated meets the full cost of delivering the service provision.

### **What information do you give tenants?**

We will give tenants information about the temporary accommodation charge at the start of their stay. This will include:

- the amount they must pay (rent and the homeless service charge). We will give tenants a breakdown of the homeless service charge;
- the importance of making regular payments and / or claiming Housing Benefit if appropriate;
- the methods they can use to pay their temporary accommodation charge; and
- advice on what they should do if they fall into arrears.

We will make sure that tenants get up to date information about benefit entitlement and where relevant, help fill in housing benefit application forms.

As part of the review process for the temporary accommodation charge, we will consult tenants on any proposed increase. We will give tenants at least 28 days' written notice if we increase the temporary accommodation charge.

### **How do you recover the amount of the temporary accommodation charge?**

We know that some people are not able to pay the amount of the temporary accommodation charge due for a variety of reasons. We will try to balance this against our duty to recover the amount due.

The temporary accommodation is the same for every household, regardless of income. However, we will always make sure that temporary accommodation is an affordable option to all. To do this we will only seek to recover the cost from a household that we think they can reasonably be expected pay.

It is the tenant's responsibility to pay the full amount that we seek to recover.

### **How much will you recover from a tenant on Housing Benefit?**

Where a tenant in temporary accommodation is eligible for the full award of Housing Benefit, will recover 100% of the temporary accommodation charge.

Where a tenant is only eligible for a partial award of Housing Benefit, we will seek to recover a reasonable amount. We consider a reasonable to be the average Council house rent, for the size of the property, plus 25% towards the homeless service charge.

- If the amount of Housing Benefit the tenant gets is more than the reasonable amount, we will recover all of the Housing Benefit awarded.
- If the amount of Housing Benefit the tenant gets is less than the reasonable amount, the tenant will have to pay the difference.

### **How much will you recover from a tenant who is working or who is not eligible for Housing Benefit?**

Where a tenant in temporary accommodation is working or is not eligible for Housing Benefit, we will only seek to recover a reasonable amount. We consider a reasonable to be the average Council house rent, for the size of the property, plus 25% towards the homeless service charge.

### **What is your process for recovering arrears?**

We use a staged escalation process up to and including repossession and eviction for where arrears arise. We aim to minimise any arrears use early intervention in all cases before a debt becomes unmanageable. We will always take prompt action. We will agree a repayment plan with tenants which is affordable for them to keep. We will try to make sure that the full amount owed to us is paid, including any arrears.

### **What legal action will you for arrears recovery?**

Legal action is the last stage in the arrears process. There are certain steps, set out in law that we must follow. For example, issuing a Notice to Quit, giving the tenant 40 days' notice to leave the property and going to court to ask for a payment decree and recovery of possession (eviction). We will only take this action when all other means of arrears recovery have been tried without success. We will keep tenants informed of, and fully involved in, the legal process at all stages of legal action.

### **What is your review process?**

We have a review process for tenants who do not agree with the amount of temporary accommodation charge to be recovered, the level of arrears or any repayment plan. In the first instance, tenants can ask for an explanation from the Supported Accommodation Officer. If the tenant is not satisfied with the explanation given, they can ask for an appointment with the Supported Accommodation Manager. The

Supported Accommodation Manager will review the case and in the event of any dispute they will refer the case to the Housing Needs Manager.

We also have a Complaints Procedure that is available to any tenant who is not pleased with the way in which their case has been dealt with. More information is available on the Council's website and from the reception and information hubs.

**How do you monitor performance in relation to the Temporary Accommodation Charging Policy?**

We will monitor:

- the total amount of temporary accommodation income due;
- the total amount of the temporary accommodation charge collected;
- the amount of arrears, by band showing number of accounts and total arrears due for each band; and
- the number of tenants evicted as a result of arrears.

**When will you next review the Temporary Accommodation Charging Policy?**

We will review the Temporary Accommodation Charging Policy in 2027 or earlier if needed due to changes in law.