

MORAY COUNCIL
HOUSING AND PROPERTY SERVICES
TEMPORARY ACCOMMODATION CHARGING POLICY

1. Scope of the policy

- 1.1 This policy details the framework used by the Council in the charging rent to homeless households for the provision of temporary accommodation.

2. Strategic context

- 2.1 The Temporary Accommodation Charging Policy will assist the Council to tackle homelessness which meets the aims of Moray 2026: a Plan for the Future, the Local Housing Strategy and the Housing and Property Service Plan.

- 2.2 Detailed procedures will be developed to guide staff on the key processes involved.

3. Objectives and principles of the policy

- 3.1 The overall aim of the policy is to ensure that rent charged for temporary accommodation:
- is an affordable option to all;
 - does not act as a disincentive to work;
 - meets the cost of operating temporary accommodation provision; and
 - is recovered to its maximum potential.
- 3.2 The specific objectives are to:
- to use a cost effective and fair rent setting process,
 - to ensure temporary accommodation is an affordable option to all; and
 - to use recovery practices which take into account a household's income whilst, ensuring that those with the means to pay do pay.

- 3.3 The principles of the policy are to:
- comply with legislation and guidance and promote best practice;
 - ensure consistency in the provision of services by providing staff training and implementing detailed procedures and agreed practices uniformly across the service;
 - deliver good quality services which are efficient and effective; and
 - provide services that adhere to the principles of equal opportunities.

4. The legislative and regulatory framework

4.1 The Council will ensure that the Policy complies with current legislation and promotes good practice. This includes the Outcomes 14 and 15 of the Scottish Social Housing Charter. Outcome 14 states:

”Social landlords set rents and service charges in consultation with their tenants and other customers so that:

- a balance is struck between level of services provided, the cost of the services and how far current and prospective tenants and service users can afford them.
- tenants get clear information on how rents and other money are spent, including details of individual items of expenditure above thresholds agreed between landlords and tenants.”

4.2 These outcomes reflect a landlord’s legal duty to consult tenants about rent setting, the importance of landlords taking account of what their current and prospective tenants and other customers are likely to be able to afford and the importance that many tenants place on being able to find out about how their money is spent. What is crucial is that discussions take place and the decisions made reflect the views of tenants and other customers.

5. Affordability

5.1 The Council recognises that the rent levels for temporary accommodation are higher than those for council housing. This can result in some forms of temporary accommodation being unaffordable for those households, for

example those who are in employment or are not entitled to Housing Benefit or Universal Credit housing costs element.

5.2 The Council will seek to ensure that all tenants placed in temporary accommodation are given relevant information about entitlement to welfare benefits/income maximisation services in order to encourage optimum take up from tenants. It will encourage all those tenants who may be eligible for assistance to apply for appropriate benefits, for example Housing Benefit. This will assist to offset the effects of low income on the tenant's ability to pay. Where requested, the Council will provide assistance with the completion of application forms and progress claims.

6. Charging rent for temporary accommodation

6.1 When setting the rent level for temporary accommodation, the Council will charge every household the same level of rent, regardless of income. However, in order to ensure that temporary accommodation is an affordable option to all, the Council will only seek to recover those costs that it can reasonably be expected to collect.

6.2 The level of rent charged for temporary accommodation will be set in accordance with the Local Housing Allowance, plus a £45 management fee. The management fee seeks to recover the cost of decoration, voids, electric/gas checks, deliberate damage, furnishings and floor-coverings.

6.3 The rent level charged by property size for 2021-2022 will be as follows:

Property size	Rent charged (including management fee)
Single room rate for under 35 year	£119.79 per week
1 bedroom	£142.81 per week
2 bedroom	£171.58 per week
3 bedroom	£191.14 per week
4 bedroom	£229.11 per week

- 6.4 Tenants have an obligation under the terms and conditions of their occupancy agreement to pay rent timeously. In addition it is a tenant's responsibility to notify the Council of any change in their circumstances that may affect their ability to pay their rent. Tenants will be reminded of their responsibilities when they sign their occupancy agreement and during their tenancy.
- 6.5 The Housing Needs Manager will be responsible for ensuring that rent charges for temporary accommodation continue to reflect good practice and fairness for all.
- 6.6 The Council will review its rents annually as part of the budget process. Annual increases in rent will be influenced by the property size, occupancy rates by household type and the capping levels imposed through Local Housing Allowance and welfare reform.
- 6.7 As part of the review process, tenants will be consulted on any proposed rent increase.
- 6.8 Tenants will be provided with at least 28 days' written notice in the event of any rent increase.

7. Recovery of rent charged

- 7.1 The Council recognises that some people may be unable to pay the amount of rent due for a variety of reasons. This may include poverty or other reasons for financial exclusion, which the Council will endeavour to balance this against its duty to recover the amount due.
- 7.2 It is a tenant's responsibility to pay, in full, the amount of rent that the Council seeks to recover.
- 7.3 Some tenants may be eligible to get assistance to pay their rent through Housing Benefit. Tenants are responsible for applying for assistance and for pursuing any claims for assistance. The Council will provide advice and support to tenants upon request.

7.4 In situations, where a tenant may be eligible for assistance but chooses not to apply for assistance, or to pursue their claim, they will be expected to pay the full amount of rent that the Council seeks to recover.

Housing Benefit

7.5 Where a tenant in temporary accommodation is eligible for the full award of Housing Benefit, the Council will seek to recover 100% of the rent charged.

7.6 Where a tenant is only eligible for partial payment of Housing Benefit, the Council will seek to recover a reasonable charge (i.e. Council house rent plus 10% towards the management fee).

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

7.7 Where a tenant in temporary accommodation is working and/or is not eligible for Housing Benefit, the Council will only seek to recover a reasonable charge (i.e. Council house rent plus 10% towards the management fee).

7.8 Discretionary Housing Payments (DHP) are payments that the Council can make to people who require further financial assistance to meet their housing costs. The Housing Service will provide tenants with information and advice about discretionary housing payments, including the application process.

Overpayment of benefits

7.9 Any overpayment of benefits to the tenant such as Housing Benefit will be recovered.

8. Recovery of rent arrears

8.1 The Council will aim to minimise the level of arrears in a sensitive but effective manner, ensuring that there is early intervention in all cases before a debt becomes unmanageable.

- 8.2 Rent arrears recovery will be based on a staged escalation process, up to and including repossession for non-payment of rent.
- 8.3 The process will be based on a preventative approach that seeks to maximise tenants' entitlement to benefits and secure regular payments.
- 8.4 Once arrears have arisen, prompt action will be taken to ensure that the arrears do not increase. The Council will endeavour to make sure that current rent is paid, and then ensure that the arrears are recovered.
- 8.5 In cases where the tenant cannot clear the arrears in a single payment, the Council will agree an affordable payment to reduce the arrears in realistic and sustained instalments over a specific period of time. Any repayment agreement will be based upon a detailed assessment of the tenant's finances and ability to pay.
- 8.6 The Council will maintain a comprehensive record of all action taken and all contact with tenants in arrears.
- 8.7 Legal action is the last stage in the rent arrears process. Tenants will be kept informed of and fully involved in the legal process at all stages of legal action. Legal action may include issuing a Notice to Quit giving the tenant 40 days' notice to leave the property and thereafter seeking recovery of possession and seeking a payment decree. In all cases, the Council will seek recovery of expenses. Expenses may be awarded where the arrears have been repaid. The Council will refer the tenant to suitable agencies to provide advice or assist in representation at court hearings.
- 8.8 The decision to request legal action to recover possession of the property and payment of arrears of rent be raised will only be taken when all other means of recovery of rent arrears have been exhausted.

9. Review of decisions and complaints

- 9.1 A review process exists for tenants who dispute the amount of rent recovered, the level of rent 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 provided, 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, will refer the case to the Housing Needs Manager.
- 9.2 The Council operates a Complaints Procedure that is available to any tenant who is not satisfied with the way in which their case has been dealt with. Details of the Complaints Procedure can be obtained from any Council Access Point.

10. Performance monitoring

- 10.1 The Council will monitor performance in charging and recovering rent for temporary accommodation as follows:
- the total amount of temporary accommodation rental income due;
 - the total amount of temporary accommodation rent collected;
 - the amount of rent arrears, by band showing number of accounts and total arrears due for each band;
 - the number of tenants evicted due to rent arrears.
- 10.2 The information detailed above will be reported annually to the Communities Committee. The reports will be public documents but the confidentiality of individual customers' circumstances will be maintained.
- 10.3 Other statistics will be collected from time to time for management and planning purposes.

11. Policy review

- 11.1 The Council will review the Temporary Accommodation Charging Policy in 2022 or earlier if required by legislative changes.