

APPENDIX 1

Temporary Accommodation Charging Policy

1. Scope

- 1.1 The Policy details the framework Coventry City Council proposes to use to charge a licence fee to homeless households living in Temporary Accommodation where they are not entitled to full housing benefit or have failed to make an application for housing benefit.
- 1.2 The Policy also details the framework Coventry City Council will use to charge for Council Tax, Utilities and any furniture the tenant has in storage.
- 1.3 An abbreviations and jargon buster can be located in Appendix 1

2. Introduction & Aims

- 2.1 The Council has the power to require the payment of reasonable charges in accordance with s206(2) Housing Act 1996. The charges are for the use and occupation of the accommodation and it is anticipated the majority of households will be entitled to either full or partial housing benefit.
- 2.2 In all housing tenures, housing providers set a standard expectation that rental payments are the responsibility of residents; either through direct payments from their salary/income and/or (where entitled) through the application and receipt of housing benefit. It is therefore imperative that the Council supports the development of the financial skills of those living in temporary accommodation, so they are not only able to secure more permanent accommodation but also sustain that accommodation.
- 2.3 The Council is committed to ensuring Temporary Accommodation charges are affordable for everyone and therefore any licence fee that households will be expected to pay will be capped at Coventry's Local Housing Allowance (LHA) rates or median rent rates (dependent on consultation) detailed in section 6.1 below.
- 2.4 The licence fee a household may be required to pay will not be the full rental cost of the property but is a reasonable charge to the household for use and occupation. The difference between the rental cost from the landlord and the household contribution (licence fee) will be met, at a cost, by the Council.
- 2.5 The Council also has a duty to provide storage for homeless households to place their furniture in if they become homeless and there would be a risk that their furniture would need to be disposed of. Local Authorities are legally allowed to charge households for this service at a level at which would be affordable for an individual household. Coventry City Council have not historically charged households any amount towards this cost but will do so in line with this policy, as outlined in section 10.

3. Objective of the Policy

3.1 The objective of the Policy is to ensure that the licence fee charged for temporary accommodation is affordable to all, meets the operational costs of temporary accommodation provision or as much as it reasonably can, does not act as a disincentive for households to work while ensuring a fair charge to those who can afford to pay.

4. Guiding Principles

4.1 The Council are proposing the following guiding principles:

- **Focus on independent living** – single people and families will be able to manage their money effectively by the time they leave Temporary Accommodation
- **Provide Appropriate Support** - Where single people and families experience financial budgeting difficulties support will be provided through the recommissioned homeless support service
- **Only charge proportionately** - charging will be based upon what people can pay; the Council will not charge indiscriminately.

5. Legislative framework

5.1 The principles of the policy are in line with the City's Housing and Homelessness Strategy (2019-24) and is compliant with;

- Housing Act 1996 Part VII (as amended)
- Homelessness Reduction Act 2017.
- Homelessness Code of Guidance for Local Authorities (2018)
- Equality Act 2010

6. Housing Benefit and the recovery of Licence Fee

6.1 All households entering Temporary Accommodation will be expected to complete a Housing Benefit application as some customers will be eligible for assistance towards the licence fee through housing benefit. The Council will provide support to households to ensure that a housing benefit claim is made.

6.2 Housing Benefit will be assessed on the full rental charge of the temporary accommodation.

6.3 The outcome of the housing benefit claim will determine what charges will apply as follows:

- Where the household is entitled to full housing benefit no licence fee will apply.
- If the household is not eligible for full housing benefit due to the amount of income they receive, the Council will apply a maximum licence fee equivalent to their reduction in housing benefit due to excess income up to a capped amount. The capped amount will be in line with either the current Local Housing Allowance (LHA) rates or median rent rate (to be determined following consultation – detailed in section 6.1 below) which will be determined by the size of the property.
- Where households cannot reasonably afford the licence fee the Council will carry out a financial assessment to determine an affordable charge.
- If a household fails to apply for housing benefit the Council will expect them to pay the full licence fee however, where the household cannot afford this a financial assessment can be carried out to determine a reasonable charge. If a tenant is eligible for housing benefit or other welfare assistance such as Discretionary

Housing Payments but does not apply or provide follow up information required for the claim they will be expected to pay the full charges for the temporary accommodation.

6.4 Coventry City Council recognises some people may be unable to pay the full amounts (for example they are subject to the Benefit Cap) and therefore an affordability assessment will be completed where appropriate.

6 Licence Fee Charges - Charges passed on to the Household (where applicable)

6.1 The licence fees for temporary accommodation are set to ensure every household has the same fee level regardless of income, or the location of the accommodation. **The fee will be determined following public consultation.** The two fee options the Council are choosing to consult on are:

- Option 1 – The Local Housing Allowance (LHA) rate
- Option 2 – The Median Rent rate

6.2 The Local Housing Allowance (LHA) levels are set nationally and are the maximum housing costs a household would receive through Housing Benefit/Universal Credit.

6.3 The Median Rent Rate has been based upon the Valuation Office Median Rent Rate – this is the average of the two middlemost rent rates for the City.

6.4 The levels of Local Housing Allowance (LHA) and Median Rent Rates in Coventry as of the 01/07/19 are set out below:

Property size	Licence fee (per week)	
	LHA Rate	Median Rate
Shared accommodation:	£69.65	£81.92
1-bedroom accommodation:	£92.05	£126.92
2-bedroom accommodation:	£114.82	£150.00
3-bedroom accommodation:	£132.04	£173.08
4-bedroom accommodation:	£175.79	£230.77

6.5 The Council will review the fee levels annually and any variation will be based on property size, location, LHA or Median Rent rates and any potential impacts from welfare reform. All licences will receive a minimum 28 days written notification of any variation.

7 Other Charges

7.1 In addition to the licence fee, households living in temporary accommodation will be expected to pay other household bills, including Council Tax, Utilities (Gas, Water and Electricity) and where applicable the cost of storing furniture and other personal belongings.

8 Council Tax Charges

8.1 Council Tax Charges will vary, and it will be dependent on the size and location of the property. The amount of Council Tax charged will be based on the current council tax banding scheme.

www.coventry.gov.uk/info/55/council_tax/2285/council_tax_bands_and_charges

9 Utility Charges

- 9.1 Gas, electricity and water charges will be the responsibility of the licensee, it is the intention of the Housing and Homelessness Service to move to pre-payment meters, where pre-payment is not an option the licensee will remain responsible through monthly or quarterly billing.

10. Storage Charges

- 10.1 The Council has a duty to take reasonable steps to prevent loss or prevent/mitigate damage to the personal property of the applicant and their household if the Council have reason to believe that there is a danger of loss or damage to the property and that there are no other suitable arrangements for the property. This duty applies whilst there is a risk of loss or damage.
- 10.2 All households will be expected wherever possible to make their own arrangements for the storage of their furniture and personal items.
- 10.3 Where the household has not been able to arrange this independently, the Council will arrange for furniture and personal items to be collected and stored by their preferred contractors. The Act makes provision for reasonable charges to be made for this under s211 (4) Housing Act 1996.
- 10.4 Households will be expected to pay the full storage costs including collection of the items, storage and delivery from storage to the follow-on destination. If the household cannot afford to pay upfront, they will be able to pay in instalments. They will be asked to sign an agreement which requires them to pay instalments on a regular basis. This will be a condition of the storage contract.
- 10.5 If the cost is not met or the instalments not maintained the items in storage may be disposed of. Where the household is unable to meet the cost of furniture storage they may be eligible for help from the Discretionary Housing Payment Scheme (DHP). Applications for DHP will be subject to a financial assessment (See section 12).
- 10.6 If items in storage (arranged by the Council on behalf of the applicant) are not removed within the requisite notice period of 28 days (Section 41 of the Local Government Act 1982), the items will be disposed of (following relevant regulations) and the full cost of the storage and disposal will be charged to the owner.
- 10.7 When storage is arranged by the Council, but the items to be stored are refused by the storage provider (for example, where there is evidence of infestation which may affect other storage areas or items), the household will have to arrange alternative storage as it would require the Council to take unreasonable steps in seeking alternative arrangements.

11 Responsibilities of the Licensee

- 11.1 All licensees will be provided with and be required to sign a condition of occupancy agreement (licence). The licence fee is part of the licence agreement and conditions of occupancy.
- 11.2 The licensee is responsible for applying and pursuing their housing benefit claim, including providing any relevant documentation to support their claim.

11.3 The licensee is responsible for applying and pursuing any other relevant welfare benefit, such as but not limited to Discretionary Housing Payment including providing any relevant documentation to support their claim.

11.4 The licensee must pay the licence fee on time.

11.5 The licensee must inform the Council's Housing and Homelessness Service of any changes that will affect either their ability to pay the licence fee and/or the amount of housing benefit they receive.

11.6 The licensee will also be responsible for the payment of Council Tax, Utility charges (gas, water and electricity) and furniture storage (where this is has been provided).

12. Discretionary Housing Payments

12.1 Households who are in temporary accommodation, in receipt of partial housing benefit and are not able to pay the remaining licence fee due to financial difficulties, can apply for help through the Discretionary Housing Payment scheme. If eligible, payments can be awarded up to the licence fee. Individuals will need to make an on-line application to the Benefit Service and meet the requirements of the scheme to qualify.

13. Arrears

13.1 The Council intends for Licensees to be informed of any arrears in a prompt and timely manner with a view that early intervention can help tenants with arrears.

13.2 Arrears will be recovered following the Council's Housing and Homelessness Service arrears escalation procedure, the ethos is for early intervention and will involve officers making contact with customers, assisting with benefit claims, sending arrears reminder letters and setting up payment plans as customers with high arrears will be given the option to pay in instalments.

13.3 Eviction proceedings through legal action will be the final option available to the Council and will only be used once the Council is satisfied no further routes for recovery exist. This process will involve customers being issued a Notice to Quit giving 28 days to vacate the property, the Council will seek to recover costs incurred because of legal proceedings.

13.4 Any potential notice will be subject to a case review and sign off from an officer who is senior to the officer intending to serve notice.

14. Former Arrears

14.1 If a Licensee leaves temporary accommodation owing a debt, these outstanding charges are called former arrears and will follow a separate recovery process. Action will be taken to recover these arrears and households will be pursued for outstanding debts.

15. Complaints

15.1 Coventry Council operates a complaints procedure that is open to all residents including tenants in temporary accommodation. A copy of the complaint procedure can be accessed at:
www.coventry.gov.uk/info/5/contact_the_council/545/comments_compliments_and_complaints/3

16. Performance

16.1 The service intends to monitor;

- Total income due
- Total income collected
- Total arrears current
- Total arrears former debt

16.2 Other performance reports and statistics will be collected for management purposes.

Appendix 1

Abbreviations / Jargon

Tenants – Licence holders within temporary accommodation, assured shorthold tenancies are never used for temporary accommodation.

Licence / Occupancy agreement – An agreement signed by the tenant, it will clearly set out responsibilities for the tenant and Council.

Licence fee – A fee charged for the use and occupation of the property. The licence fee is equivalent to the household's reduction in housing benefit due to excess income up to a capped amount. The capped amount will be in line with either the current Local Housing Allowance (LHA) rates or median rent rate (to be determined following consultation – detailed in section 6.1)

LHA / Local Housing Allowance – This is used to work out how much Housing Benefit that can be paid as rent.

TA – Temporary Accommodation, Accommodation used to house customers who are homeless and owed a statutory duty under s188 or s193 of the Housing Act 1996.

Subsidy gap – the limit the Government will pay through Housing benefit towards the cost of Temporary Accommodation, any difference or gap is covered by the Council.

DHP – a discretionary housing payment is subject to eligibility criteria and can be awarded to help with housing costs. You can only get DHP if you are eligible to claim either Housing Benefit or the housing element of Universal Credit.

Section 41 - S41 Local Government Act 1982 entitles the authority to give notice in writing requiring the collection of property, if this is not done the property will vest in the Local Authority.

Provider charge – The cost the Council pays to private sector providers of temporary accommodation.