

Temporary Accommodation Charging Policy

Key Changes



Temporary Accommodation Charging Policy - Key Changes

Proposed Change	What does the current policy say?	Why change?
<p>Households in Temporary Accommodation (TA) will pay for their Utilities and Council Tax.</p> <p>To make all homeless households that live in temporary accommodation (other than B&Bs and hotels) responsible for the payment of council tax and for the utilities (gas, electricity and water) they use.</p> <p>The Council will continue to pay the utility costs for households living in hotels and bed and breakfast (B&Bs). This is because utilities are included in the 'nightly let' rates and not easily separated out.</p> <p>The Council will work with Temporary Accommodation providers to set up pre-payment gas and electricity meters. The cost to the household will depend on how much they use.</p> <p>Prepayments meters will help households manage their budgets and prevent them getting into debt during their time in Temporary Accommodation.</p>	<p>The Council does not have a consistent approach to who pays for utilities and Council Tax. People living in hostel accommodation, housing association and some private rented TA currently pay their utility costs.</p> <p>Most households in private rented TA and all households in hotels and B&Bs do not pay for their utilities - Coventry City Council currently covers these costs. People in Hotels and B&Bs are not liable for Council Tax.</p> <p>The Council currently spends over £800,000 per year on utilities for people in temporary accommodation.</p>	<p>Most local authorities in Britain ask homeless households to pay for the utilities they use, and Council Tax.</p> <p>The policy will increase consistency between households living in private rented temporary accommodation, hostels and housing association properties.</p> <p>By asking households in temporary accommodation to pay for the utilities they use it is expected that the Council will save at least £400,000 per year.</p> <p>Households need to be able to demonstrate they are tenancy ready before securing permanent accommodation. With support from the Council's newly recommissioned support services households will develop the budgeting skills and experience needed to hold down a permanent tenancy.</p>



Temporary Accommodation Charging Policy - Key Changes

Proposed Change	What does the current policy say?	Why change?
<p>Households in temporary accommodation will pay to store their belongings.</p> <p>Households with items in storage will have to pay the full cost of removals and storage. The Council will continue to arrange for the removal and storage of the furniture.</p> <p>The amount a household will have to pay will be dependent on the amount they put into storage. Prices for storage currently range from £24 per week to £72 per week. The average cost of removals is £347.</p> <p>The Council accepts that some households will struggle to pay the full weekly costs so there will be a repayment scheme to help spread the costs of storage. An affordability assessment will be carried out for all households to help determine the weekly payment amounts.</p> <p>Some households will be able to apply for help through the Discretionary Housing Payment scheme.</p>	<p>The Council currently stores homeless households' furniture, and other items, free of charge with a private storage company.</p> <p>Furniture removals and storage currently costs the Council over £163,000 each year. There is no limit set on how many items a household can put into storage. This means the Council pays no storage costs for some households and a considerable amount for others.</p>	<p>Most local authorities in Britain ask homeless households to pay for furniture removals and storage. Coventry City Council are one of the few who do not.</p> <p>If homeless households paid the full cost of removals and storage themselves it would save the Council around £163,000 each year. Charging for storage may encourage households to organise and prioritise the items they place into storage - reducing the costs to themselves.</p>



Temporary Accommodation Charging Policy - Key Changes

Proposed Change	What does the current policy say?	Why change?
<p>Households who are not entitled to full housing benefit because they work and/or have 'excess income' will be asked to make an affordable contribution towards the rent.</p> <p>There would be no change for households on full Housing Benefit - they would not be required to make any contribution to the rent on the property.</p> <p>The Council is consulting on how much the affordable contribution should be - the two options are:</p> <p>Option 1 - UP TO the Local Housing Allowance</p> <p>Option 2 - UP TO the median rent for the City</p> <p>The rent rates under each option is contained in table 1.</p>	<p>Households in temporary accommodation and not in receipt of full housing benefit because they have 'excess income' (around 20% of households) do not make any contribution towards the rent.</p> <p>An unintended consequence appears to be that people get used to having extra money - some households have turned down permanent homes because they will have to pay rent.</p> <p>The Council currently pays the full cost of the rent that is not covered by housing benefit and this costs the City more than £400,000 per year.</p>	<p>Most local authorities in Britain ask for a contribution from homeless households, alongside leading charities like Womensaid.</p> <p>The Council and partners working with homeless households are concerned that people are not learning the budgeting skills needed to make them tenancy ready. The Council has recommissioned new support services to support households to develop the skills needed to ensure tenancy readiness.</p> <p>Option 1 could save the Council around £200,000 per year.</p> <p>Option 2 could save the Council around £220,000 per year.</p>



Temporary Accommodation Charging Policy - Key Changes

Option 1: The Local Housing Allowance (LHA) rate - levels are set nationally and are the maximum housing costs a household would receive through Housing Benefit/Universal Credit.

Option 2: The Median Rent rate - 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.

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

Table 1	Council Currently Pays (Maximum Weekly Rent³)	Option 1 - Local Housing Allowance (LHA) Rate¹ Households Pays (Maximum Weekly Charge)	Option 2 - Median Rate² Households Pays (Maximum Weekly Charge)
Shared Accommodation	£385.00	£69.95	£81.92
1 Bedroom Accommodation	£420.00	£92.05	£126.92
2 Bedroom Accommodation	£455.00	£114.82	£150.00
3 Bedroom Accommodation	£525.00	£132.04	£173.08
4 Bedroom Accommodation	£595.00	£175.79	£230.77

1. The Local Housing Allowance Rate will be subject to change in line with housing benefit legislation
2. An annual review will be taken on the median rent rate.
3. The Maximum Weekly Rent has been used for the purpose of demonstrating the greatest likely impact. The Weekly Rent on Temporary Accommodation is always higher than permanent accommodation because the properties are fully furnished, include utilities costs and council tax, have higher repair costs and a higher turnover of tenants than permanent accommodation, resulting in rent loss during vacant periods. The Council has reduced the rental charges with providers and are working on a number of projects to source cheaper temporary accommodation.

