

Temporary Accommodation (TA) Charging and Recovery of Arrears Policy

1. Scope of the Policy

This policy details the framework used by the Council in the charging of rent and service charges to homeless households for the provision of temporary accommodation (TA).

2. Strategic Context

The TA Charging Policy will assist the Council to tackle homelessness whilst meeting the aims of:

- The Housing Act 1996, as amended by the Homelessness Act 2002 and the Homelessness Reduction Act 2017
- The Localism Act 2011

3. Objectives and Principles of the Policy

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

3.2 The specific objectives are:

- To use a cost effective and fair rent and service charge setting process.
- To ensure TA is an affordable option to all and does not act as a disincentive to work.
- To ensure that sufficient income is generated to cover the cost of operating and managing TA.
- To ensure that rent and service charges are recovered to their maximum potential.
- 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 and agreed practices uniformly across the service.
- deliver good quality services which are efficient and effective.

- provide services that adhere to the principles of equal opportunities.

4. Legislative and Regulatory Guidance

- 4.1 The Council will ensure that the policy complies with current legislation and guidance and promotes good practice.
- 4.2 Where a statutory obligation exists to offer TA the applicant should pay a reasonable charge, as determined by the Council in respect of the accommodation provided by the local authority, or that provided by another landlord but which is paid for by the local authority.
- 4.3 Broadland District Council will have regard to the legislation in deciding what is reasonable and affordable and will take account of what the applicant can pay in the longer term. The Council will inform the applicant in advance what the total cost of the accommodation will be. We will also assist to apply for housing benefit to help cover the cost of the TA. The TA team will endeavour to advise what level of Housing Benefit will be when considering the charges.
- 4.4 The households placed in TA will be given information which will include rent charges and any additional costs that are associated with TA and how they are to be paid.
- 4.5 The Council will seek to ensure that it complies with its duties under the Equalities Act 2010. The Council will seek to eliminate discrimination, harassment and victimisation; advance equality of opportunity; and try to foster good relations between persons who share a relevant protected characteristic and those who do not.

5. Affordability

- 5.1 Broadland District Council recognises that the cost of temporary accommodation is higher than for council housing or other types of rent. This can result in TA being unaffordable for some households, for example those who are in employment or are not entitled to Housing Benefit.
- 5.2 The Council will:
- consider the ability of any individual to pay charges in the longer term
 - give advance notice to an individual of any charges
 - assist an individual to apply for benefits to pay the eligible charges
 - take account of the likely level of benefit when considering charges.
- 5.3 The Council will seek to ensure that all tenants placed in TA 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 residents 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 for Temporary Accommodation (TA)

6.1 The income generated from the charging regime for TA will be equivalent to the full cost of operating the service. It must be sufficient to cover the costs of the provision of TA in relation to management, service delivery, maintenance and repairs and void periods of the accommodation.

6.2 The charging regime for TA is the baseline rent, eligible service charges and an ineligible service charge.

6.3 The service charge is reflective of the cost of providing TA to homeless households and include but are not exclusive to:

- Housing management costs associated with the provision of TA
- Maintenance costs, including the provision of furnishings and equipment
- Void rent loss
- Staff costs
- Repair and renewal costs

The service charges will be reviewed annually in conjunction with the annual budget setting process and will endeavour to ensure that the income generated meets the full cost of the service provision.

6.4 When setting the charge for temporary accommodation, the Council will charge every household the same level, 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.

6.5 Tenants have an obligation under the terms and conditions of their occupancy agreement to pay the temporary accommodation charge 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 temporary accommodation charge. Tenants will be reminded of their responsibilities when they sign their occupancy agreement and during their tenancy.

6.6 Tenants will be provided with information about the temporary accommodation charge at the start of their stay in temporary homeless accommodation including:

- the amount they must pay (rent and 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; advice on what they should do if they fall into arrears.

6.7 The service will endeavour to ensure that:

- homeless households remain aware of their responsibility to pay the temporary accommodation charge on time and the potential consequences of non-payment;
- it actively promotes the maximisation of tenants' income through benefits take up and money / debt advice;
- homeless households receive information, advice and support on maximising their income by claiming appropriate benefits, improving personal budgeting skills and dealing with debt.

6.8 The Housing & Benefits Manager will be responsible for ensuring that charges for TA continue to reflect good practice and fairness for all.

7. Recovery of the Temporary Accommodation Charge

7.1 The Council recognises that some people may be unable to pay the amount of the temporary accommodation charge due for a variety of reasons. This may include poverty, or other reasons for financial exclusion, which the Council will endeavour to balance against its duty to recover the amount due.

7.2 It is a tenant's responsibility to pay, in full, the amount of the temporary accommodation charge that the Council seeks to recover.

7.3 Some tenants may be eligible to get assistance to pay the temporary accommodation charge 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 the temporary accommodation charge that the Council seeks to recover.

8. Recovery of Arrears

8.1 The Council will aim to minimise the level of arrears in a sensitive but effective manner, to enable an affordable solution to be agreed as quickly as possible, ensuring that there is early intervention in all cases before a debt becomes unmanageable.

8.2 The Council will use all appropriate methods of communication open to it when contacting homeless households in arrears these will include face to face visits, letters, phone calls, e-mail and text messages may be used if appropriate.

8.3 Arrears recovery will be based on a staged escalation process, up to and including repossession for non-payment of the temporary accommodation charge.

8.4 The process will be based on a preventative approach that seeks to maximise tenants' entitlement to benefits and secure regular payments.

8.5 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 the current TA charge is paid, and then ensure that the arrears are recovered.

8.6 In cases where the licensee 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 licensee's finances and ability to pay.

8.7 The Council will maintain a comprehensive record of all action taken and all contact with licensees in arrears.

8.8 Legal action is the last stage in the arrears process. The Council will use all legal options open to us in the recovery of arrears where the homeless household is wilfully and knowingly refusing to pay their temporary accommodation charge, up to and including eviction or the ending of accommodation.

8.9 Licensees 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 either 28 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 licensee to suitable agencies who provide advice or assist in representation at court hearings.

8.10 The decision to request legal action to recover possession of the property and payment of arrears will only be taken when all other means of arrears recovery have been exhausted.

9. Review

This policy will be reviewed if there are significant changes required in the light of best practice and any changes to legislation and Government guidance.