

To: Communities and Housing Policy Board

On: 14 January 2025

Report by: Director of Environment, Housing and Infrastructure

Heading: Temporary Accommodation Charging Policy

1. Summary

- 1.1 A revised Temporary Accommodation Charging Policy has been developed to provide an updated framework which can be used by the Council for the charging of rent and service charges to homeless households for the provision of furnished temporary accommodation.
 - 1.2 The Temporary Accommodation Charging Policy will assist the Council to meet the needs of those who have nowhere to stay whilst fully reflecting the increase in costs in recent years and will be in line with the Local Housing Strategy and Renfrewshire's Rapid Rehousing Transition Plan.
 - 1.3 The overall aim of the policy is to ensure that rent and service charges for furnished temporary accommodation are set at an affordable level for all, provide financial sustainability, allows the Council to continue to provide good quality furnished accommodation for those in housing need, and meet the actual cost of providing the accommodation and related services.
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2. Recommendations

It is recommended that the Communities and Housing Policy Board:

- 2.1 Approves the Renfrewshire Council Temporary Accommodation Charging Policy as set out in Appendix 1.
- 2.2 Approves the Temporary Accommodation fees and charge set in in section 4.6 of the report.

3. Background

- 3.1 Local authorities have a statutory obligation to offer temporary accommodation when a household presents as homeless and they have nowhere to stay, whilst the local authority assesses their homeless application.
- 3.2 The Housing (Scotland) Act 1987 states that where this obligation exists, the applicant should pay 'a reasonable charge', as determined by the local authority 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.
- 3.3 When carrying out functions under the Housing (Scotland) Act 1987 with respect to a homeless person and / or persons threatened with homelessness, local authorities are required to have regard to the Code of Guidance on Homelessness, which states in relation to charges for the provision of temporary accommodation:

“In deciding what is reasonable, the local authority should take account of what the applicant can pay in the longer term. If an applicant is being asked to pay for accommodation provided by or paid for by the local authority, then the applicant should be informed in advance of the cost of the accommodation. They should also be assisted when applying for benefit to cover the cost of such accommodation. The local authority should take account of, and advise of, the likely level of benefit when considering charges”.

Temporary accommodation stock

- 3.4 The table below provides a breakdown of the stock of furnished properties currently being used as temporary accommodation for those who are statutorily homeless:

	Temporary accommodation type	Landlord	Number of properties
1	Individual properties across Renfrewshire	Renfrewshire Council	156
2	Staffed accommodation at Gallowhill and Thrushcraigs	Renfrewshire Council	33
3	Individual properties across Renfrewshire	Various RSLs	39
4	Supported accommodation projects (4 sites)	Williamsburgh HA, Paisley HA, Sanctuary HA, Renfrewshire Council	53

- 3.5 The stock of furnished accommodation listed in the table ensures that the Council does not have to use hotel accommodation (B&B) on a regular basis or at unacceptable level and avoids the excessive costs that the high use of B&B can generate.
- 3.6 The Supported Accommodation projects at No.4 in the table are provided through tendered contracts by specialist Support Providers, and as such are not covered by this Charging Strategy.

4. Rent charge for those placed in temporary accommodation

- 4.1 It is recognised that the cost of providing temporary accommodation, and the rent which is then charged, are both higher than that for mainstream council housing given the price of providing furnishings, the costs of the staffing resources required to manage / co-ordinate the use of the stock, and the higher turnover of properties each year.
- 4.2 Historically the temporary accommodation rental income had been set on the basis of the Local Housing Allowance (LHA) rate at the time of implementation and an additional £45 to cover furnishing and additional support. Rent levels have been uprated occasionally in the intervening years, however, in the majority of these years no increases had been applied, although in the last 2 years the approved Renfrewshire Council rent increase has been applied to the temporary accommodation rent rates, with a 2 bed temporary accommodation property having a weekly rental charge for 2024/2025 of £171.62.
- 4.3 A review has been undertaken over the last year, which concludes the current rental income does not cover the costs incurred by the Council in providing temporary accommodation and the revised temporary accommodation charging policy seeks to address this with a model which ensures full cost recovery for the operation of the service.
- 4.4 It has been the case for many years that the vast majority of homeless applicants who are placed in temporary accommodation qualify for full housing benefit and therefore have the full cost of their temporary accommodation met. Currently 91% of those staying in furnished temporary accommodation qualify for full housing benefit.
- 4.5 This new temporary accommodation charging policy recognises that there can be an affordability gap for a small number of homeless applicants, for example those in employment, and its implementation will help to ensure that what a homeless applicant is required to pay for temporary accommodation will be reasonable and take account of their personal circumstances. The charging policy will also allow applicants to be better able to enter into employment whilst residing in temporary accommodation, should the opportunity arise to do so.
- 4.6 The proposed rent charges for 2025/2026 are set out in the table below. These charges are based on the cost of providing the temporary accommodation service.

Temp Accommodation Rent Charge by Property	2025/26 Weekly Rental Charge
0 Bed Rent (Bedsit)	£318.84
1 Bed Rent	£333.60
2 Bed Rent	£339.35
3 Bed Rent	£350.16
Overall Average	£337.05

5. Support for those placed in temporary accommodation

- 5.1 The Council will continue to ensure that everyone placed in temporary accommodation is given relevant information on their entitlement to welfare benefits/income maximisation services and will be encouraged to take up these benefits. Staff will provide assistance with the completion of application forms and progressing of claims.
- 5.2 All homeless applicants will also continue to be assessed for the provision of housing support, and then provided with the support to ensure their needs are met.

6. Renfrewshire Council Temporary Accommodation Charging Policy (Appendix 1) - summary of key points

- 6.1 The income generated from the charging approach for temporary accommodation will be equivalent to the full cost of operating the service. It must be sufficient to cover the costs of the provision of temporary accommodation in relation to management, overheads, service delivery, maintenance and repairs and void periods of the accommodation.
- 6.2 Rent charges will be set in accordance with average house rental costs from the provider and based on the size of property. The average council house rental figures are reviewed and updated annually. The homeless service charge is reflective of the additional costs of providing temporary accommodation to homeless households.
- 6.3 The homeless service charge 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 service provision.
- 6.4 When setting the rent charge for temporary accommodation, the Council will charge every household the same rent depending on the size of property, regardless of income.

- 6.5 In order to ensure that temporary accommodation is an affordable option to all, and that those placed in temporary accommodation are asked to pay 'a reasonable charge' (see para 3.2), for those who are not in receipt of full housing benefit, the Council will seek to recover a charge equivalent to the rental level of the property size and type of a comparable Renfrewshire Council mainstream property.

7. Next Steps

- 7.1 Should board approve the recommendations set out in section 2 of the report, the policy and associated weekly rental charges would be implemented from April 2025, and there will be a programme of engagement throughout February with everyone staying in temporary accommodation to provide advice on the new policy, and respond to anyone who requires an explanation and / or reassurance on impact of these changes.

Implications of the Report

1. **Financial** – The financial implications of these proposals will be included within the Council's General Fund forward planning assumptions and managed as part of the annual budget setting proposals in line with the relevant financial year.
2. **HR & Organisational Development** – None.
3. **Community/Council Planning** –
 - Our Renfrewshire is fair - those who are homeless will be provided with housing options.
 - Building strong, safe and resilient communities – meeting the needs of those who are homeless and providing access to settled housing helps to support communities.
 - Tackling inequality, ensuring opportunities for all – those who are in housing need will be provided with settled housing options.
 - Working together to improve outcomes – we will be working with partners to improve outcomes for those in housing need.
4. **Legal** – Councils have a statutory obligation to offer temporary accommodation when someone presents as homeless and they have nowhere to stay, whilst their homeless application is assessed.
5. **Property/Assets** – None.
6. **Information Technology** – None.
7. **Equality & Human Rights**

The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report.

The strategy also seeks to implement a fair charging policy for families who may not be entitled to housing benefit but are low income households ensuring that there will be no financial barriers that could prevent low income families accepting emergency accommodation.

8. **Health & Safety** – None.
9. **Procurement** – None.
10. **Risk** – None.
11. **Privacy Impact** – None.
12. **COSLA Policy Position** – None.
13. **Climate Risk** – None.
14. **Children's Rights** – The recommendations contained within this report have been assessed in relation to their impact on Children's rights. No negative impacts on children's rights have been identified arising from the recommendations contained in the report.

The strategy also seeks to implement a fair charging policy for families with children who may not be entitled to housing benefit but are low income households ensuring that there will be no financial barriers that could prevent low income families with children accepting emergency accommodation.

Appendix 1 - Renfrewshire Council Temporary Accommodation Charging Strategy.

List of Background Papers

None.

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Renfrewshire Council Temporary Accommodation Charging Policy

1. Scope of the policy

- 1.1 This policy details the framework to be used by the Council for the charging of rent and service charges to homeless households for the provision of temporary furnished accommodation.

2. Strategic context

- 2.1 The Temporary Accommodation Charging Policy will assist the Council to meet the needs of those who are homeless and is in line with the aims of the Local Housing Strategy, and Rapid Rehousing Transition Plan.

3. Objectives and principles of the policy

- 3.1 The overall aim of the policy is to ensure that rent and service charges for furnished temporary accommodation for homeless applicants:

- are set at an affordable level,
- ensure the on-going provision of good quality furnished temporary accommodation,
- provide financial sustainability, and
- meet the costs of delivering temporary accommodation provision.

- 3.2 The specific objectives are:

- use a cost effective and fair rent and service charge setting process;
- ensure furnished temporary accommodation is an affordable option to all and does not function as a disincentive to work;
- ensure that sufficient income is generated to cover the cost of operating and managing temporary accommodation;
- ensure that rent and service charges are recovered to their maximum potential; and
- use recovery practices which consider 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, effective and meet the needs of those who are homeless; and
- provide services which adhere to the principles of equal opportunities.

4. Legislative and regulatory framework and guidance

4.1 The Council will ensure that the Policy complies with current legislation and guidance and promotes good practice.

4.2 Councils have a statutory obligation to offer temporary accommodation when they assess a person or household as unintentionally homeless. The Housing (Scotland) Act 1987 Section 35(2) states that where this obligation exists, the applicant should pay a **reasonable charge**, as determined by the local authority 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 When carrying out functions under the Housing (Scotland) Act 1987 with respect to a homeless person and / or persons threatened with homelessness, local authorities are required to have regard to the Code of Guidance on Homelessness. Paragraph 8.84 of the Code states: "In deciding what is reasonable, the local authority should take account of what the applicant can pay in the longer term. If an applicant is being asked to pay for accommodation provided by or paid for by the local authority, then the applicant should be informed in advance of the cost of the accommodation. They should also be assisted when applying for benefit to cover the cost of such accommodation. The local authority should take account of, and advise of, the likely level of benefit when considering charges".

4.4 The Temporary Accommodation Standards Framework April 2023 sets out advisory standards in relation to temporary accommodation and it recommends that the following actions are undertaken:

- A household assessment to consider whether temporary accommodation offered is affordable by the household.
- Providing households with a rent statement of charges, including any additional costs that are associated with temporary accommodation and how they are paid.

4.5 The Scottish Social Housing Charter sets out standards including those which tenants and homeless people can expect from social landlords.

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 the 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 is spent, including details of individual items of expenditure above thresholds agreed between landlords and tenants.

4.6 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 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.

4.7 The Council will seek to ensure that it complies with its duties under the Equalities Act 2010. Full consideration will be given to the Council’s Public Sector Equality Duty (PSED). This requires public authorities to: eliminate discrimination, harassment and victimisation; advance equality of opportunity; and to foster good relations between persons who share a relevant protected characteristic and those who do not.

5. Affordability

5.1 The Council recognises that the cost of furnished temporary accommodation is higher than for mainstream council housing. This can result in a minority of cases of the cost of staying in temporary accommodation being unaffordable for some households, for example those who are in employment or are not entitled to Housing Benefit.

5.2 In accordance with the Code of Guidance on Homelessness, the Council will:

- conduct a household assessment to consider whether accommodation is affordable for a household;
- 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 any charges; and
- take account of the likely level of benefit when considering charges.

- 5.3 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 for temporary accommodation

- 6.1 The income generated from the charging approach for temporary accommodation will be equivalent to the full cost of operating the service. It must be sufficient to cover the costs of the provision of temporary accommodation in relation to management, service delivery, maintenance and repairs and void periods of the accommodation.
- 6.2 The charging approach applied for temporary accommodation is the baseline rent plus a homeless service charge:

Rent setting mechanism

- 6.3 Rent charges will be set in accordance with average house rental costs from the provider and based on the size of property. The average house rental figures are reviewed and updated annually.

Homeless service charge

- 6.4 The homeless service charge is reflective of the cost of providing temporary furnished accommodation to homeless households.
- Housing management costs associated with the provision of temporary accommodation;
 - Maintenance costs, including the provision of furnishings, equipment, replacement of items, and utilities;
 - Void rent loss;
 - Staff costs; and
 - Repair costs.

The homelessness service charge 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 service provision.

- 6.5 When setting the charge for temporary accommodation, the Council will charge every household the same level, regardless of income.

However, 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.

- 6.6 Homeless applicants have an obligation under the terms and conditions of their occupancy agreement to pay the temporary accommodation charge timeously. In addition, those living in temporary accommodation have a responsibility to notify the Council of any change in their circumstances that may affect their ability to pay their temporary accommodation charge. They will be reminded of their responsibilities when they sign their occupancy agreement and during their tenancy.
- 6.7 Those being offered temporary accommodation will be provided with information about the overall all temporary accommodation charge at the start of their stay in temporary homeless accommodation including:
- the amount they must pay;
 - 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.
- 6.8 The service will 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; and
 - homeless households receive information, advice, and support on maximising their income by claiming appropriate benefits, improving personal budgeting skills, and dealing with debt.
- 6.9 The Homeless & Housing Support Services Manager will be responsible for ensuring that charges for temporary accommodation continue to reflect good practice and fairness for all.
- 6.10 As part of the review process for the temporary accommodation charge, those staying in temporary accommodation will be consulted on any proposed temporary accommodation charge increase.
- 6.11 Those living in temporary accommodation will be provided with at least 28 days' written notice in the event of any increase in the temporary accommodation charge.

7. Recovery of the temporary accommodation charge

- 7.1 Whilst it is the case that the majority of homeless applicants qualify for full housing benefit, the Council recognises that some people may be unable to pay the full amount of the temporary accommodation charge due for a variety of reasons. This may include low income, 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 It is the case that the majority of 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.
- 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.

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 temporary accommodation charge.
- 7.6 Where a tenant is only eligible for partial payment of Housing Benefit, the Council will seek to recover a reasonable amount (i.e. the average Council house rent for an equivalent property).
- If the amount of Housing Benefit the tenant receives is more than the reasonable amount, the Council will recover all of the Housing Benefit awarded.
 - If the amount of Housing Benefit the tenant receives is less than the reasonable amount, 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 as a minimum a reasonable amount (i.e. the average Council house rent for an equivalent property.)

Overpayment of benefits

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

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. Face to face visits will be the preferred default communication method, however letters, phone calls, virtual appointments (such as Near Me), e-mail and text messages may be used if appropriate.

8.3 Arrears recovery will be based on a staged escalation process.

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

8.5 Once arrears have arisen, prompt action will be taken to support the individual to ensure that the arrears do not increase. The Council will endeavour to make sure that current temporary accommodation charge is paid, and then ensure that the arrears are recovered.

8.6 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, circumstances and ability to pay.

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

8.9 Tenants will be kept informed of, and fully involved in, the legal process at all stages of legal action.

9. Review of decisions and complaints

9.1 A review process exists for tenants who dispute 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 Accommodation Co-ordinator. If the tenant is not satisfied with the explanation provided, they can ask for an appointment with the Homeless Services Manager.

The Homeless Services Manager will review the case and in the event of any dispute, will refer the case to the Homeless & Housing Support Services 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 on the Council's website and from Homeless Services.

10. Performance monitoring

10.1 The Council will monitor performance relating to the temporary accommodation charge as follows:

- 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.

10.2 The information detailed above will be reported annually to the Communities and Housing Policy Board. 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 2027 or earlier if required by legislative changes.