



**REPORT TO: HOUSING AND COMMUNITY SAFETY COMMITTEE ON 12
SEPTEMBER 2023**

SUBJECT: TEMPORARY ACCOMMODATION POLICY REVIEW UPDATE

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND
FINANCE)**

1. REASON FOR REPORT

- 1.1 This report presents Housing and Community Safety Committee with a revised Temporary Accommodation Charging Policy for approval.
- 1.2 This report is submitted to Committee in terms of Section III (G) (1a) and (4) of the Council's Scheme of Administration relating to the setting of rent levels for Council houses and the allocation and letting of houses and homelessness.

2. RECOMMENDATION

2.1 It is recommended that the Housing and Community Safety Committee:-

- (i) considers the feedback received during the consultation period, as set out in Section 4 and APPENDIX I;**
- (ii) approves the revised Temporary Accommodation Charging Policy as set out in APPENDIX II and notes that it will be implemented as set out in Section 5; and**
- (iii) notes that given the financial implications, under the terms of Standing Order 84, any decision of this Committee may be further considered as part of the budget setting process.**

3. BACKGROUND

- 3.1 The Council has a statutory duty to assist applicants who are homeless or threatened with homelessness as defined in the Housing (Scotland) Act 1987, as amended. These duties include the provision of temporary accommodation until such time as the Council has determined the outcome of their homeless application.

- 3.2 In accordance with Section 35(2) of the Housing (Scotland) Act 1987, local authorities can require a homeless person to pay a reasonable charge for the provision of temporary accommodation, as determined by the local authority. There is no definition of “reasonable” in the legislation or guidance. Methods for calculating charges, as well as the cost of temporary accommodation itself, varies greatly across Scotland.
- 3.3 When calculating temporary accommodation charges, local authorities should also have due regard to the Code of Guidance on Homelessness. In addition, applicants should be informed in advance of the cost of the accommodation and 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.
- 3.4 At its meeting on 27 June 2023, the Committee were advised that the current charging framework has been in place since April 2015, with no subsequent annual increase. This has meant that income generated has remained static while costs have increased and the temporary accommodation service has increasingly been operating at a deficit. Committee were advised of the need to revise the methodology used when charging homeless households for temporary accommodation in order to mitigate budgetary pressures and alleviate risk (Paragraph 10 of the Minute refers).
- 3.5 The principal policy changes are:
- the service will operate on the basis of full cost recovery in order to mitigate against risk to the temporary accommodation budget;
 - rent levels are no longer set using the Local Housing Allowance rate and a management fee;
 - the temporary accommodation charge is determined by a baseline rent, equivalent to the average council house rent for the size of property, plus a homeless service charge which is based on costs associated with the management and operation of temporary accommodation, maintenance and repairs and void periods; and
 - in determining what a reasonable sum to recover from those who may have affordability issues has been revised.

4. CONSULTATION

- 4.1 At its meeting on 27 June 2023, the Committee agreed to review the extent to which costs are recovered by rent and service charges and to consult on the revised Temporary Accommodation Charging Policy (Paragraph 10 of the Minute refers).

4.2 The consultation period ran from 28 June until 2 August 2024. The following consultation took place:

- the draft Temporary Accommodation Policy and an easy to read version of the policy were published on the Council website;
- an online survey was developed to seek feedback. This was widely publicised via the Council’s social media platforms;
- current homeless applicants, tenants currently living in temporary accommodation and tenants who have been housed from the homeless list since April 2018 who have a current tenancy were contacted directly and their feedback requested; and
- the draft policy was issued to community councils, those on the Register of Interested Tenants and the Moray Tenants’ Core Group and feedback sought.

4.3 The survey asked the following five key questions regarding the revised Temporary Accommodation Charging Policy:

- 1) Do you support the introduction of the policy?
- 2) Did you find the policy easy to read and understand?
- 3) Is there a section that you would like to see reworded?
- 4) Is there something that we’ve missed and you would like to see included in the draft policy?
- 5) Is there anything in the draft policy that you would want removed?

Respondents were all invited to provide any general comments that they may have on the policy.

4.4 A total of 57 responses were received. The consultation was open to all to respond to. However, given the context and that the consultation was targeted towards current and previous homeless households who may be vulnerable and/or experiencing a traumatic life event, this low response rate is not surprising. The low numbers of responses returned may not accurately reflect the views of stakeholders.

4.5 The responses received can be summarised as follows:

	Yes	No	Don't know
Do you support the Temporary Accommodation Charging Policy?	29.82% (17)	43.86% (25)	26.32% (15)
Did you find the Temporary Accommodation Charging Policy easy to read and understand?	40.35% (23)	14.04% (8)	45.61% (26)
Is there a section that you would like to see reworded?	5.26% (3)	35.09% (20)	59.65% (34)
Is there something that we’ve missed that you think should be included?	8.77% (5)	29.83% (17)	61.40% (35)
Is there anything you think should be removed?	3.51% (2)	36.84% (21)	59.65% (34)

4.6 The main thematic issues that arose from the consultation process can be summarised as relating to the following:

- the amount of the increase;
- the complexity of the Temporary Accommodation Charging Policy;
- a level of detail not included in the policy but which will be available elsewhere; or
- an issue already considered within the context of the policy.

Details of the comments returned are provided in **APPENDIX I**.

4.7 To address the issues identified, Officers will:

- develop a range of information resources using plain language to explain the operation of the revised policy, including the amount of temporary accommodation charge, what the tenant will be expected to pay and the implications of the benefit system. This will be reviewed and updated to reflect any future annual increase;
- explain and discuss the charging process with tenants, when offering accommodation and when signing their occupancy agreement, ensuring the tenant understands policy in terms of the implications in relation to benefit entitlements, affordability and assistance available; and
- encourage all tenants in temporary accommodation to ensure that they maximise their income and check their benefit entitlement by completion of a Housing Benefit Form.

4.8 Whilst the consultation did not return a favourable response in support of the Temporary Accommodation Charging Policy, this must be considered in the context of the low response rate and be balanced with the Council's ability to fund all of its homeless activities and maintain a balanced budget. Given the financial environment in which the Council is operating and the sustained pressure on budgets, an overarching priority for the Council must be to ensure that the temporary accommodation service is fundable, self-financing and mitigates any risk posed to the General Services budget.

4.9 It should be noted that in the Scottish Housing Network analysis of temporary accommodation costs per week for 2022/23, the average temporary accommodation cost per week across these authorities is £214. Some authority costs are in excess of £300 per week, which is significantly higher than the temporary accommodation charge in the revised Temporary Accommodation Charging Policy.

4.10 Since the special meeting of Moray Council on 1 March 2023 agreed the interim measure of increasing the rent and service charges by 27% (effective from 6 April 2023), there have been no approaches from tenants to advise that they are struggling financially or to request financial assistance as part of the transitional arrangements available (Paragraph 7 of the Minute refers).

4.11 Officers consider it appropriate and prudent to continue with the revisions to the temporary accommodation charging structure. Following consideration of the comments received from the consultation exercise, there are no further amendments required to the revised policy presented to this Committee. It is recommended that the Committee approve the Temporary Accommodation Charging Policy (**APPENDIX II**).

5. FUTURE ACTIONS

- 5.1 If the Committee agrees to the revised Temporary Accommodation Charging Policy, the Service will seek to implement it as follows:
- New tenants moving into temporary accommodation will begin the arrangements as detailed within the policy from Monday 18 September 2023.
 - Current tenants in temporary accommodation will be written to and provided with a minimum of 28 days' notice of the increase which will take effect from Monday 16 October 2023.
 - Transitional arrangements will be applied in order to mitigate against any financial impact for current tenants living in temporary accommodation:
 - if an existing tenant advises of an adverse financial impact due to the change, they will be provided with financial assistance. It is anticipated that this will have limited budgetary implications given the tenancy turnover rate in temporary accommodation (<6 months);
 - when a property becomes void, it will be relet in line with the temporary accommodation charge, as set out in the policy. From implementation of the policy, all new tenants will commence on the updated charging arrangements.
- 5.2 The temporary accommodation budget is likely to continue to be under pressure for the foreseeable future. To mitigate these pressures, Officers will ensure that income from the Temporary Accommodation Charging Policy is maximised and will continue to monitor and assess the Council's future temporary accommodation needs. The full year equivalent budgetary impact of the additional income is estimated to be £62k. In accordance with the Rapid Rehousing Transition Plan, the Service will continually reconfigure the supply of temporary accommodation and minimise the length of stay.
- 5.3 The temporary accommodation charge will be updated annually in conjunction with the annual budget setting process and to reflect any increase in the annual average council house rent.

6. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

The Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) identify the need to address the shortage of affordable housing and tackle homelessness. The Homelessness Policy will assist the Council to meet its strategic priority within the Local Housing Strategy which is "to prevent and alleviate homelessness."

(b) Policy and Legal

There are no legal implications arising from this report.

(c) Financial implications

The temporary accommodation budget continues to operate under pressure, albeit the deficit has been markedly reduced since the previous uplift was applied in March 2023. The changes proposed within this report are estimated to provide a further £62k of income annually. Although the Temporary Accommodation Charging Policy is intended to minimise any risk and deliver savings, Officers will ensure that budgets continue to be closely monitored and reviewed in future years.

(d) Risk Implications

Any increase in homelessness will directly impact on temporary accommodation, not only in an increased pressure for accommodation but also the potential to increase the level of arrears.

There is a continued need to reconfigure the Council's supply of temporary accommodation and ensure that the length of stay in the accommodation is minimised. The Housing Needs Manager will be responsible for ensuring that the Council has the correct level and type of accommodation, alleviating the need for bed and breakfast accommodation, where possible, and that income from the Temporary Accommodation Charging Policy is maximised.

(e) Staffing Implications

None arising from this report.

(f) Property

None arising from this report.

(g) Equalities/Socio Economic Impact

An Equalities Impact Assessment on the revised Temporary Accommodation Charging Policy has been completed and no issues have been identified.

(h) Climate Change and Biodiversity Impacts

There are no climate change/biodiversity impacts arising from this report.

(i) Consultations

Consultation on this report has taken place with the Head of Housing and Property, Housing Needs Manager, Supported Accommodation Manager, Housing Strategy and Development Manager and Officers within the Housing Service and with the Chief Financial Officer, Alistair Milne (Accountant), Norma Matheson (Benefits Manager) Georgina Anderson (Legal Services Senior Solicitor), the Equalities Officer and Lindsey Robinson (Committee Services Officer) have been consulted and any comments have been incorporated into the report.

7. CONCLUSION

7.1 This report presents the Housing and Community Safety Committee with the outcome of the consultation exercise undertaken and seeks approval of the revised Temporary Accommodation Charging Policy.

Author of Report:
Background Papers:
Ref:

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