

# Temporary Accommodation Charging Procedure 2025

## Contents

---

1. Scope.....	3
2. Introduction & Aims .....	3
3. Objective of the Procedure .....	4
4. Guiding Principles .....	4
5. Legislative Framework.....	4
6. Overview of Charges .....	4
7. Housing Benefit and the recovery of Licence Fee .....	6
8. Storage Charges.....	6
9. Responsibilities of the Licensee.....	7
10. Payments .....	7
11. Arrears.....	8
12. Recovery of outstanding costs.....	8
13. Complaint.....	8
14. Performance Monitoring.....	8
15. Affordability Assessment.....	9
APPENDIX 1: Glossary of Terms.....	10
APPENDIX 2: Affordability Assessment Calculations.....	10
APPENDIX 3 : Full Service Charge .....	11

## Version control

---

<b>Date</b>	<b>Details</b>	<b>Updated by</b>
V1- July 2023	Initial Draft	
V2 November 2023	Review	Torbay Council - Housing Needs Manager
V2.1 December 2023	Review	Torbay Council - Divisional Director Community and Customer Services
V2.2 January 2024	Review	Torbay Council - Divisional Director Children Services
V2.3 January 2024	Final Draft	
V2.3 February 2024	Agreed – Record of Decision	Torbay Council Director of Adults and Community Services
V3 January 2025	Review and updated	Torbay Council- Housing Needs Manager
V3 January 2025	Reviewed	Torbay Council - Divisional Director Community and Customer Services

## **1. Scope**

1.1 The Procedure details the framework Torbay Council will use to charge a licence fee to homeless households living in Temporary Accommodation (TA) where they are not entitled to full housing benefit or have failed to make an application for housing benefit.

1.2 It also details the charge for Council Tax, Utilities, and any furniture the tenant has in storage. It will also provide charging structure and mechanism by which to reclaim costs as appropriate associated with the use and provision of accommodation.

1.3 The procedure also applies to accommodation that is provided to a family in the event that housing do not owe a duty, under section 17 of the Children Act 1989 and the duty to safeguard and promote the welfare of children in need. There are circumstances whereby Children's Services may provide accommodation under section 17 of the Children Act 1989, in the event that the family have been found to be intentionally and are not eligible for assistance under homelessness legislation. Under this legislation, Children's services have the power (as opposed to duty) to provide financial assistance and accommodation to the child in need and their family (this refers to the child's parents, those with parental responsibility or other family members whom Children's Services deem to be responsible for the child's upbringing. If, at any stage, the care arrangements for a child change, the decision to exercise the power to provide accommodation and the associated assessment of need will be reviewed, which may result in the provision of accommodation being terminated.

1.4 Glossary of Terms and abbreviations can be in located in Appendix 1

## **2. Introduction & Aims**

2.1 Under the Housing Act 1996, the Council has a right to make a reasonable charge for temporary accommodation, to reduce inappropriate use of this accommodation and to ensure it is available to those with the greatest housing need. Where a household is to be placed into temporary accommodation, an affordability assessment (means test calculation) will be carried out to determine whether a contribution or full payment will be required. This assessment will be based on the national standards for assessing affordability as outlined in the Government's Code of Guidance to Local Authorities. When doing so, regard will also be given to the Homelessness (Sustainability of Accommodation) Order 1996 as amended.

2.2 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.

2.3 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 important that the Council supports the development of the financial skills of those living in TA, so they are not only able to secure more permanent accommodation but also sustain that accommodation.

2.4 The Council is committed to ensuring TA charges are affordable for everyone and therefore any licence fee that households will be expected to pay will be capped at Torbay's Local Housing Allowance (LHA) rates.

2.5 The licence fee a household will be required to pay will not be the full cost of the property that is paid by the Council, but a reasonable charge to the household for use and occupation (capped at the LHA rate). The difference between the actual cost and the household contribution (licence fee) will be met, by the Council.

2.6 The Council also has a duty to provide storage for homeless households to place their furniture 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.

2.7 Torbay Council have not historically charged households any amount towards this cost but will do so in line with this procedure.

### **3. Objective of the Procedure**

3.1 The objective of the Procedure is to ensure that the licence fee charged is affordable to all. That it meets the operational costs of TA provision or as much as it reasonably can and 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 Charging Procedure applies 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 Welfare Assistance Team.
- 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 Council's Homelessness and Rough Sleeping Strategy 2020-2025 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. Overview of Charges**

6.1 In addition to the licence fee, households living in accommodation that is provided to a family under the Homelessness Act or Section 17 of the Children Act 1989 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.

<b>Charges</b>	<b>Description</b>
Accommodation Rental charges	Fees will reflect the relevant Broad Rental Market Area (BRMA) LHA levels for accommodation and will form the basis of any related needs assessments. The household will be required to contribute up to a set amount deemed suitable from the affordability assessment. This will include any shortfall between the Housing Benefit claimed and the cost of the nightly rental charge for the accommodation. Where the household in temporary accommodation or accommodation provided by Children’s Services is not eligible for Housing Benefit, the Council will only seek to recover a reasonable charge towards the rent, equivalent to the LHA. Where it is affordable to the household, they will be required to pay the full costs associated with temporary accommodation for the full duration of the stay.
Cancellation/non-attendance charge	Where a household is booked into, but does not take up accommodation, the Council will still be charged by the provider for the booking or incur costs . In such cases, the Council may recharge the full amount to the household and seek to recover these costs in line with accommodation fees, as per above.
Storage of household possessions including pets	The Council will have due regard to Chapter 20 of the Homelessness Code for Guidance relating to the protection of personal property. Where possible, the Council will work with housing association partners to utilise any vacant residential garages for storage, if considered safe and secure. The Council will also work with registered local kennels and catteries when considering these options for animals. A household will be recharged for any removal/storage/kennel's/cattery's requirements during occupation of any temporary accommodation.
Utilities charges	Gas, electricity and water charges will be the responsibility of the licensee. Where utilities charges are separate to rent costs, the Council may recharge for utilities costs up to the full amount or based on an affordability assessment. Alternatively, the household may be required to pay the utility costs directly to the accommodation provider.
Damage to property and/or loss to ancillary items	Damage to property and/or loss to ancillary items Where accommodation is damaged and/or ancillary items (e.g. furniture; fixtures and fittings etc) are removed/lost, the Council will recharge the full amount to the household and seek to recover costs up to the full amount, based on an affordability assessment.
Cleaning	Where cleaning is required over and above what is considered reasonable, either whilst the household is occupying or vacating the accommodation, the Council will recharge the full amount to the household and seek to recover costs up to the full amount, based on an affordability assessment.
Council Tax Charges	Council Tax Charges will vary, and it will be dependent on the size and location of the property, this will also include hostel accommodation. The amount of Council Tax charged will be based on the current council tax banding scheme. Those receipt of passporting benefits will be eligible for Council Tax support.
Rents in Advance and Deposits	Where the Council offers any advance rent or deposits, the Council will seek to recover theses amount via a repayment scheme and this will be based on an affordability assessment.

## **7.0 Housing Benefit and the recovery of Licence Fee**

7.1 All households entering TA or emergency accommodation offered by Children Services, 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.

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

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

- Where the household is entitled to full housing benefit, households will be liable for a full or partial contribution towards utility bills, subject to the type of temporary accommodation allocated.
- 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 the current Local Housing Allowance (LHA) rate. Households will still be liable for a full or partial contribution towards utility bills, subject to the temporary accommodation they are allocated.
- 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 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.

7.4 Torbay Council recognises some people may be unable to pay the full amounts e.g. they are subject to the Benefit Cap and therefore an affordability assessment will be completed where appropriate.

7.5 LHA levels are set nationally and are the maximum housing costs a household would receive through Housing Benefit/Universal Credit. [Local Housing Allowance \(LHA\) rates - GOV.UK \(www.gov.uk\)](https://www.gov.uk/local-housing-allowance-rates)

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

## **8. Storage Charges**

8.1 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.

8.2 All households will be expected wherever possible to make their own arrangements for the storage of their furniture and personal items.

8.3 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 charges to be made for this under s211 (4) Housing Act 1996.

8.4 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.

8.5 The Council will not cover the collection of the items and delivery from storage to follow-on destination i.e. removal costs.

8.6 If the household cannot afford to pay upfront, they will be able to pay in instalments and required to sign a payment agreement. This will be a condition of the storage contract.

8.7 If the cost is not met or the instalments not maintained, the items in storage may be sold off to clear costs or disposed of. Where the household is unable to meet the cost of furniture storage, and the household is in receipt of full or partial housing benefit, they may be eligible for help from other welfare assistance provided by Torbay Council, subject to funding and eligibility criteria.

8.8 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 sold or disposed of (following relevant regulations) and the full cost of the storage and disposal will be charged to the owner.

8.9 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.

## **9 Responsibilities of the Licensee**

9.1 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.

9.2 The licensee is responsible for applying and pursuing their housing benefit claim, including providing any relevant documentation to support their claim.

9.3 The licensee is responsible for applying and pursuing any other relevant welfare benefit, including providing any relevant documentation to support their claim.

9.4 The licensee must pay the licence fee on time.

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

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

## **10.0 Payments**

10.1 Upon occupying the accommodation and signing of the relevant documentation. Payments will be required on a weekly basis. Bills will be issued detailing the amount required and method of payment.

10.2 Where costs have been incurred associated with tenant damage, cleaning or other property related incidents, these costs will be directly invoiced to the tenant.

## **11.0 Arrears**

11.1 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 with arrears.

11.2 Arrears will be recovered following the Council's Housing Needs 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.

11.3 Where accommodation is provided under the Housing Act, 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 up to 28 days to vacate the property, subject to which housing duty is owed to the applicant. The Council will also seek to recover costs incurred due to any legal proceedings.

11.4 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, this will normally be the team lead officer.

## **12. Recovery of outstanding costs**

12.1 If a Licensee leaves TA 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.

12.2 The Council will aim to minimise the level of arrears in a sensitive but effective manner, ensuring that there is early intervention in all cases before a debt becomes unmanageable. The process will be based on a preventative approach that seeks to maximise tenants' entitlement to benefits and secure regular payments. If arrears occur, prompt action will be taken to ensure that the arrears do not increase. Any decision to take legal action to recover outstanding payments will only be taken when all other means of recovery have been exhausted, in line with the Council's Debt Recovery Procedures

## **13. Complaints**

13.1 Torbay 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: [Complaints and compliments - Torbay Council](#)



## **14. Performance Monitoring**

14.1 The Council will monitor performance in charging and recovering income for temporary accommodation as follows:

- Total amount of temporary accommodation licence income and other charges due.
- Total amount of temporary accommodation licence and other charges collected.
- Total amount of arrears, showing number of accounts
- The number of tenants evicted due to rent arrears.
- Total arrears former debt
- Value of right offs

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

14.3 The Council will review the Temporary Accommodation Charging Procedure annually or earlier if required by legislative changes.

## **15. Affordability Assessment.**

15.1 The Council will give due consideration to the affordability of any offer made. Where the household in temporary accommodation is eligible for Housing Benefit, the Council will seek to recover 100% of the Housing Benefit of the rent charged. If the household is required to pay a cost towards rent charges, the household's entire income will be taken into account as part of the affordability assessment. This includes any welfare state benefits, the cost of additional travel to and from the applicants' normal place of work, children's school or educational institute and access medical services for on-going treatment or aftercare.

15.2 The Council will consider whether the applicant can afford the housing costs without being deprived of basic essentials such as food, clothing, heating, transport and other essentials specific to their circumstances.

15.3 The Council will be guided by Universal Credit standard allowances ([https://www.gov.uk/universalcredit/what youll-get](https://www.gov.uk/universalcredit/what-youll-get)) when assessing the income that an applicant will require to meet essential needs aside from housing costs. The Council will ensure that the needs and circumstances of the applicant and their household are considered. The wider context of the household's particular circumstances will be considered when looking at the household overall expenditure. Further details on how this assessment will be carried out can be found at Appendix 2.

**APPENDIX 1: Glossary of Terms**

TA	Temporary Accommodation, Accommodation used to house customers who are homeless and owed a statutory duty under s188, S190 or s193 of the Housing Act 1996.
Provider charge	The cost the Council pays to any accommodation providers of temporary accommodation.
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.
TA–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.
LHA / Local Housing Allowance	This is used to work out how much Housing Benefit that can be paid as rent.
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 the current Local Housing Allowance (LHA) rates.
Licence/ Occupancy agreement	An agreement signed by the tenant, it will clearly set out responsibilities for the tenant and Council.
Tenants	Licence holders within temporary accommodation, assured shorthold tenancies are never used for temporary accommodation.
B &B	Bed and Breakfast
BRMA	Broad Rental Market Area

**APPENDIX 2: Affordability Assessment Calculations  
Homelessness Code of Guidance for Local Authorities**

Under section 210(2), the Secretary of State has made the Homelessness (Suitability of Accommodation) Order 1996. The 1996 Order specifies that in determining whether it would be, or would have been, reasonable for a person to occupy accommodation and in determining whether accommodation is suitable a housing authority must consider whether the accommodation is affordable by them, and in particular must take account:

<https://www.gov.uk/guidance/homelessness-code-of-guidance-for-local-authorities/chapter-17-suitability-of-accommodation>

### APPENDIX 3: Full Service Charges

The Department for Work and Pensions (DWP) use Local Housing Allowance (LHA) rates to calculate Housing Benefit for tenants renting from private landlords. LHA rates relate to an area in which a claim is made - these areas are called Broad Rental Market Areas (BRMA). A BRMA is where a person could reasonably be expected to live taking into account access to certain facilities and services.

The current local housing allowance amounts can be found at:

<https://lha-direct.voa.gov.uk/>

#### Temporary Accommodation Service Charge each year

Below is a table of the recommended charges set out by government for 2024 - 2025 and is intended to give an illustration of the charges someone may incur in temporary accommodation. The actual amount households pay, will depend upon the type of accommodation they are provided with and what services are already included in the core rent. For example, a hotel room will usually have all services included in the nightly rate but will not have cooking facilities. Self-contained accommodation will not have services included but will have cooking facilities. Officer's will select the ineligible charges that apply when they prepare the temporary accommodation licence.

Temporary accommodation has to meet the suitability criteria outlined in the Housing Act and Homelessness Code of Guidance and our fees must not create financial hardship. As such, in some cases, the Council may need to subsidise charges applied such as for Care Leavers for whom the Council are corporate parents.

<b>Service</b>	<b>Weekly Charge</b>
Water	£4:10
Heating	£35:25
Lighting	£2:85
Laundry/Bedding	£4:10
Cleaning	£4:10
Cooking	£4:10
Breakfast	£4:30
Service Charge	£20:00
Maintenance/Furnishings	£50:00

Table: 1 Government recommended weekly service changes for 2024 – 2025

The table 2 shows the difference between the charges due by the household if they are in ineligible for help with housing costs, compared to a household who are eligible for help with housing costs.

Assuming a service charge of £40 per week, a household in receipt of housing costs will be expected to pay £40 per week only, as they will have their eligible rent covered by housing benefit.

A household not in receipt of housing costs, will be expected to pay the appropriate LHA rate for their household and the accommodation they are in plus the service charge.

	Property Bedroom Size	Weekly Licence Charge	Utilities Charge Water	Utilities Charge Gas	Utilities Charge Elec	Council Tax	Service Charge	Weekly Total
Applicant on FULL benefits (with valid HB claim)	1 Bed or B&B	£0.00 Covered by HB	£ 10.00	£ 10.00	£ 10.00	£ 0.00 Covered by C/Tax Benefit	£ 10.00	£ 40.00
Applicant Working full time	1 Bed or B&B	£ 103.56	£ 10.00	£ 10.00	£ 10.00	£ 26.00 BAND A	£ 10.00	£ 169.56
Applicant on FULL benefits (with valid HB claim)	3 Bed	£0.00 Covered by HB	£ 10.00	£ 10.00	£ 10.00	£ 0.00 Covered by C/Tax Benefit	£ 10.00	£ 40.00
Applicant Working full time	3 Bed	£ 168.00	£ 10.00	£ 10.00	£ 10.00	£ 30.33 BAND B	£ 10.00	£ 238.33

Table 2: Illustrative service charge for those ineligible for assistance with housing costs.

A list of the annually agreed service charges can be found on Torbay Council Website [www.Torbay.gov.uk](http://www.Torbay.gov.uk)