

Title of Report:	Charging Policy for Bed and Breakfast Temporary Accommodation
Report to be considered by:	Executive
Date of Meeting:	15 December 2011
Forward Plan Ref:	EX2383

Purpose of Report: To set out a proposed charging policy for applicants placed in Bed & Breakfast as temporary accommodation under the Council's homelessness duties.

Recommended Action:

1. That Executive approve the proposed charging policy for applicants placed in Bed & Breakfast as temporary accommodation under the Council's homelessness duties, as set out at section 3 of the report.
2. That Executive approve the application of retrospective charging for those applicants who have been advised, since 1st September 2011, that a charge would be made and that they would be invoiced.

Reason for decision to be taken: The Council has previously operated a charging policy for B&B, however, for a number of years, the Council has not used B&B accommodation so the policy has become outdated. Due to national trends in homelessness, the Council is resorting to use of Bed & Breakfast accommodation as emergency temporary accommodation. Currently, the Council charges applicants placed in their own accommodation but no charge is levied for applicants placed in B&B. The proposal seeks to introduce equity to ensure that all applicants are treated and charged fairly, regardless of where their temporary accommodation placement is.

Other options considered: N/A

Key background documentation: None

The proposals will also help achieve the following Council Plan Themes:	
<input checked="" type="checkbox"/>	CPT3 - Affordable Housing
<input checked="" type="checkbox"/>	CPT11 - Protecting Vulnerable People
<input checked="" type="checkbox"/>	CPT13 - Value for Money

The proposals contained in this report will help to achieve the above Council Plan Priorities and Themes by:
By ensuring that homeless applicants in priority need are offered emergency accommodation pending investigation into their application for a reasonable price.

Portfolio Member Details	
Name & Telephone No.:	Councillor Alan Law - Tel (01491) 873614
E-mail Address:	alaw@westberks.gov.uk
Date Portfolio Member agreed report:	17 October 2011

Contact Officer Details	
Name:	Mel Brain
Job Title:	Housing Strategy & Operations Manager
Tel. No.:	01635 519403
E-mail Address:	mbrain@westberks.gov.uk

Implications

Policy:	This report seeks to implement a charging policy for Bed & breakfast as temporary accommodation
Financial:	The Council is increasingly using Bed & Breakfast accommodation as emergency accommodation to fulfil its homelessness duties. If applicants are eligible for Housing Benefit, approximately one-third of the cost is recovered. If applicants are not eligible for Housing Benefit, no costs are recovered. Ineligible costs are not being recovered from any applicants. The proposed policy seeks to implement a charging policy that will reduce the Council's liability for Bed & Breakfast costs and introduce equity across applicants to whom the Council has a duty to provide temporary accommodation.
Personnel:	N/A
Legal/Procurement:	The Council has a duty to provide temporary accommodation in certain circumstances, under the Housing Act 1996 (as amended).
Property:	N/A
Risk Management:	N/A
Equalities Impact Assessment:	Stage 2 EIA attached to this report

Is this item subject to call-in?	Yes: <input checked="" type="checkbox"/>	No: <input type="checkbox"/>
<p>If not subject to call-in please put a cross in the appropriate box:</p> <p>The item is due to be referred to Council for final approval <input type="checkbox"/></p> <p>Delays in implementation could have serious financial implications for the Council <input type="checkbox"/></p> <p>Delays in implementation could compromise the Council's position <input type="checkbox"/></p> <p>Considered or reviewed by Overview and Scrutiny Management Commission or associated Task Groups within preceding six months <input type="checkbox"/></p> <p>Item is Urgent Key Decision <input type="checkbox"/></p>		

Executive Summary

1. Introduction

- 1.1 Under Section 188 of the Housing Act 1996 Part VII (as amended) the Council must provide temporary accommodation if it has reason to believe a client is eligible for assistance, homeless and in priority need as defined by the Act. In emergency situations West Berkshire Council will use Bed and Breakfast (B&B) accommodation when there is no other alternative accommodation available for the household.
- 1.2 In the provision of emergency accommodation West Berkshire Council will have regard to the Homelessness (Suitability of Accommodation) (England) Order 2003 which came into force on the 1st April 2004. The order outlaws the use of B&B accommodation for households with dependent children or an expectant mother unless:
- there no other accommodation other than B&B available for occupation by an applicant with family commitments; and
 - the applicant occupies B&B accommodation for a period, or a total of periods which does not exceed 6 weeks
- 1.3 The average cost of a room in B&B is £65 a night, which equates to £455 per week. The accommodation is classed as an eligible cost for housing benefit, whilst heating, lighting, hot water and breakfast costs are classed as ineligible for housing benefit purposes

2. Proposals

- 2.1 It is proposed to implement a charging policy for B&B accommodation to bring this into line with other emergency temporary accommodation provided by the Council. This would require clients who are eligible for Housing Benefit (HB) to make a claim and provide all of the relevant supporting information.
- 2.2 It would require those who are ineligible for HB, to make a payment equivalent to the HB they would have received had they been eligible.
- 2.3 It would require all clients, regardless of eligibility for housing benefit to pay their ineligible costs.
- 2.4 It would require all clients who are provided with transportation to repay the Council the cost of the transportation, in full.

3. Recommendation

- 3.1 That Executive approve the proposed charging policy for applicants placed in Bed & Breakfast as temporary accommodation under the Council's homelessness duties, as set out at section 3 of the report.
- 3.2 That Executive approve the application of retrospective charging for those applicants who have been advised, since 1st September 2011, that a charge would be made and that they would be invoiced

Executive Report

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- there no other accommodation other than B&B available for occupation by an applicant with family commitments; and
 - the applicant occupies B&B accommodation for a period, or a total of periods which does not exceed 6 weeks.
- 1.3 Currently, the Council would seek accommodation in its own temporary accommodation stock if it had a duty to offer an approaching household emergency accommodation. This would incur a rental charge.
- 1.4 The Housing Options Service will seek to avoid the use of B&B in all cases unless the alternative is street homelessness for applicants that it has a s.188 duty towards. Although a charging policy has been in place since 2002, B&B accommodation does not currently incur a charge. This is because the policy has not been updated annually due to the fact that the Council had, for a number of years, ceased to use B&B accommodation. Other local authorities do make charges for B&B accommodation.
- 1.5 Given that the Council only provides temporary accommodation to households to whom it owes an interim or full duty under the Housing Act, it is inequitable that some households are charged whilst others are not, dependent upon where the placement is made. The proposal therefore seeks to introduce equity across the range of temporary accommodation offered by the Council, regardless of whether or not the placement is in the Council's own stock or elsewhere.

2. Costs of Bed & Breakfast accommodation

- 2.1 The average cost of a room in B&B is £65 a night, which equates to £455 per week. The accommodation is classed as an eligible cost for housing benefit, whilst heating, lighting, hot water and breakfast costs are classed as ineligible for housing benefit purposes.
- 2.2 Currently, applicants who are eligible for housing benefit are assisted to make a claim. Approximately one-third of the cost of B&B can be recovered through housing benefit. Applicants who are not entitled to housing benefit are not charged for the accommodation. No ineligible costs are recovered from applicants.

2.3 In the first two quarters of the current financial year, B&B has cost the Council £22,738. If this trend continues, it is likely that implementation of the charging policy would recover around £15,000 a year. The proposal seeks to recover an affordable amount for the applicant, not the whole cost of the placement.

3. Proposed Charging Policy

3.1 If the client is eligible for Housing Benefit

Housing Benefit will cover the rent element up to the threshold for government subsidy. Clients placed in B&B must make a Housing Benefit claim prior to taking up the offer of accommodation. In addition, the client will be charged for costs that are ineligible under Housing Benefit e.g. heating, water and breakfast.

3.2 If the client is not eligible for Housing Benefit

For those household's not in receipt of full housing benefit because they are working OR in receipt of benefits that are treated as income, care must be taken to explain what their contributions to the cost of their accommodation will be. It is expected that they will be required to pay the costs of B&B accommodation up to the level that would have been covered had they been entitled to full Housing Benefit. In addition, the client will be charged for costs that are ineligible under Housing Benefit e.g. heating, water and breakfast

3.3 Ineligible Charges

The ineligible charges to be applied are set out in the table below.

Household	Heating Lighting & Hot Water	Breakfast	Total to be paid by client per week	Total per day
Single person	£12.90	£2.95	£15.85	£2.26
Couple- no children	£12.90	£5.90	£18.80	£2.69
Single + 1	£12.90	£5.90	£18.80	£2.69
Single + 2	£12.90	£8.85	£21.75	£3.11
Single + 3	£12.90	£11.80	£24.70	£3.53
Single + 4	£12.90	£14.75	£27.65	£3.95
Couple +1	£12.90	£8.85	£21.75	£3.11
Couple +2	£12.90	£11.80	£24.70	£3.53
Couple +3	£12.90	£14.75	£27.65	£3.95
Couple +4	£12.90	£17.70	£30.06	£4.37

3.4 These charges are reasonable, equating to £55.90 a month for utilities, as most households would spend more than this on gas, electric and water if they were managing their own home. The breakfast charge provides a daily meal and is proportionate to the size of the household.

3.5 Charges for transportation

Where a client has no transport available, the Placing Officer will arrange for transportation to the accommodation. This will usually be a second-class rail ticket with a return journey for use when the applicant is required to re-present to the office for interview. The cost of the transport will be recharged, in full, to the client

3.6 Action for Non-payment of Charges

Applicants will be required to pay their charges 7 days in advance, with the first payment due prior to accepting the offer of accommodation. If the client does not stay for the full 7 days, any charges paid in advance will be refunded to the client, unless they owe the Council for transportation or other housing costs (for example, Threshold Loan Scheme), in which case, the balance will be used to offset these costs. The actions in sections 3.7 to 3.9 will be followed where applicants fail to maintain their charges payments in advance.

3.7 Consideration will be given to clients who are in financial difficulty and who are unable to pay 7 days in advance. Alternative arrangements will be made to accommodate their payments, for example, agreeing that the payment will be made on the day they receive their next benefit payment. If the alternative arrangements are not adhered to, the actions detailed in sections to 3.7 to 3.9 will be followed.

3.8 All applicants who are placed in B&B run the risk of the accommodation being withdrawn if they do not ensure that they pay their charges or fail to ensure their housing benefit claims are successful.

3.9 Officers will advise applicants when they sign the B&B Terms and Conditions of the consequences of failing to ensure that their rent is paid. This will be either the discharge of Section 188 (provision of interim accommodation) or the ceasing of Section 193 (main duty to accommodate)

3.10 Officers will follow the process laid out in the B&B procedures. If the applicant falls into arrears s/he must be given an opportunity to pay their charges or explain why they have failed to do so. The applicant must be advised of the level of the arrears and the consequences of failing to ensure payment. If the applicant does not pay or provide a reasonable explanation for the arrears then B&B should be withdrawn. Written notification of the reasons for the eviction and which duty (s 188 or s 193) has been ended, will be provided.

4. **Retrospective Charging**

4.1 Since September 2011, applicants have been advised, as part of their offer letter, that they will be invoiced for the costs of their accommodation, in line with the above proposed policy.

4.2 On the basis that they have been informed about the charges prior to accepting the offer of accommodation, and to maximise the Council's recovery of income in relation to temporary accommodation, it is recommended that these charges are collected retrospectively.

5. **Recommendations**

5.1 That Executive approve the proposed charging policy for applicants placed in Bed & Breakfast as temporary accommodation under the Council's homelessness duties, as set out at section 3 of the report.

5.2 That Executive approve the application of retrospective charging for those applicants who have been advised, since 1st September 2011, that a charge would be made and that they would be invoiced.

Appendices

Appendix A – Equality Impact Assessment – Stage 1
Appendix B – Equality Impact Assessment - Stage 2

Consultees

Local Stakeholders: N/A

Officers Consulted: Roz Haines, Finance Manager: Community Services
June Graves, Head of Social Care Commissioning & Housing
Leigh Hogan, Team Leader / Solicitor

Trade Union: N/A

APPENDIX A

Equality Impact Assessment – Stage One

Name of item being assessed:	Charging Policy for Bed & Breakfast Temporary Accommodation
Version and release date of item (if applicable):	
Owner of item being assessed:	Mel Brain
Name of assessor:	Mel Brain
Date of assessment:	6 th October 2011

1. What are the main aims of the item?
To introduce a charging policy to recover the costs of bed & breakfast accommodation provided under the Council's homelessness duties.

2. Note which groups may be affected by the item, consider how they may be affected and what sources of information have been used to determine this. (Please demonstrate consideration of all strands – age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation)

Group Affected	What might be the effect?	Information to support this.
Age Disability Pregnancy & Maternity	Applicants within these groups may fall within a priority need group under the Housing Act 1996, which specifies the circumstances in which the Council must provide temporary accommodation. They would be subject to the charges in the policy. However, no accommodation is provided free of charge and the Council is seeking to make a reasonable charge, up to the Housing Benefit caps, for accommodation that it is providing.	Housing Act 1996. Applicants would need to pay for accommodation if they sought it through the private sector, an employer or through a Housing Association.

Further comments relating to the item:

Whilst certain groups may be entitled to a duty under the Housing Act 1996, the proposed policy does not disadvantage them: they would need to pay for accommodation if it was secured elsewhere and the Council is seeking reasonable accommodation costs for accommodation that it is providing.

3.	Result (please tick by double-clicking on relevant box and click on 'checked')
<input checked="" type="checkbox"/>	High Relevance - This needs to undergo a Stage 2 Equality Impact Assessment
<input type="checkbox"/>	Medium Relevance - This needs to undergo a Stage 2 Equality Impact Assessment
<input type="checkbox"/>	Low Relevance - This needs to undergo a Stage 2 Equality Impact Assessment
<input type="checkbox"/>	No Relevance - This does not need to undergo a Stage 2 Equality Impact Assessment

For items requiring a Stage 2 equality impact assessment, begin the planning of this now, referring to the equality impact assessment guidance and Stage 2 template.

4. Identify next steps as appropriate:	
Stage Two required	Yes
Owner of Stage Two assessment:	N/A
Timescale for Stage Two assessment:	N/A
Stage Two not required:	

Name: Mel Brain

Date: 06th October 2011