



CABINET REPORT

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| Report Title | New charging arrangements for the provision of temporary accommodation |
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AGENDA STATUS: PUBLIC

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|------------------------------------|----------------------------|
| Cabinet Meeting Date: | 13 June 2018 |
| Key Decision: | Yes |
| Within Policy: | Yes |
| Policy Document: | Yes |
| Directorate: | Chief Executive's |
| Accountable Cabinet Member: | Councillor Stephen Hibbert |
| Ward(s) | All |

1. Purpose

- 1.1 Local authorities are entitled to charge homeless households for the temporary accommodation that they provide under the homelessness legislation.
- 1.2 The purpose of this report is to ask Cabinet to approve changes to the way in which the Council calculates its charges for households in temporary accommodation.

2. Recommendations

- 2.1 It is **recommended** that Cabinet:
 - (a) Agrees that, with effect from 2 July 2018, the amount that the Council will charge for temporary accommodation (excluding those homes that are being used as temporary accommodation but form part of the Housing Revenue Account) should be reduced and that, as described in Option 1 (see Paragraph 3.3.10 of this report) the new charges will be based on Northampton's Local Housing Allowance (LHA) rates and will be as follows:

- Households in Bed & Breakfast will be charged a weekly rent that is equivalent to 120% of the April 2018 one-bedroom LHA rate for Northampton, together with a weekly utilities charge of £13.90; and
 - Households in self-contained temporary accommodation will be charged a weekly rent that is equivalent to 150% of the relevant April 2018 LHA rate for Northampton.
- (b) Approves a supplementary estimate to fund the net cost of temporary accommodation increasing by £156,000 per annum (£117,000 during the remainder of 2018/19) as outlined in Option 1 (see Paragraph 3.3.17) and for this to be funded from the 'MTFP Cashflow' reserve; and
- (c) Agrees that the impact that the new charging arrangements has on homeless households and the Council will be kept under review and that, if any further changes are needed, the Cabinet will be asked to approve an amended policy that takes into account those changes.

3. Issues and Choices

3.1 Report Background

Homelessness in Northampton

- 3.1.1 During the last couple of years, the number of households applying to the Council for assistance under the homelessness legislation has doubled and, between March 2016 and March 2018, the number of households living in temporary accommodation more than quadrupled from 66 to 267.
- 3.1.2 One of the main reasons for this increase is the severe shortage of affordable / social rented housing and the impact that this shortage has had on the amount of time that homeless households spend in temporary accommodation before they are able to move on into suitable, settled accommodation.
- 3.1.3 The amount of time that homeless households spend in temporary accommodation is also expected to increase further as a result of the Homelessness Reduction Act 2017 which came into effect on 3 April 2018 and has given local authorities new duties to prevent and relieve homelessness for all eligible people.

Duty to provide temporary accommodation

- 3.1.4 A local authority must provide temporary accommodation if it has reason to believe that the applicant may be homeless, eligible for assistance and in priority need (and the applicant is not able to make their own alternative temporary arrangements, which is actively encouraged in every case).
- 3.1.5 When an applicant has become homeless, the local authority is required (under the Homelessness Reduction Act 2017) to try to relieve their homelessness within a period of 56 days; this is called the 'relief duty'. During this time, the applicant and the local authority must both do everything they can to help resolve the applicant's housing situation by finding the applicant somewhere suitable to live for a period of no less than six months.

- 3.1.6 Vulnerable people, pregnant women and families with children must be provided with temporary accommodation until homelessness can be relieved or, if that is not possible, for at least the duration of the 56 day 'relief duty'.
- 3.1.7 If homelessness cannot be relieved, the local authority will need to decide whether or not it owes the applicant the 'main housing duty'. However, as the local authority is not permitted to make this decision until the 56 day relief duty has ended, this extends the time that the household spends in temporary accommodation.
- 3.1.8 If the local authority decides that it owes the applicant the main housing duty, it will normally continue to provide them with temporary accommodation until they are offered suitable, settled accommodation. This accommodation may be provided by the council, a registered provider / housing association or a private landlord.
- 3.1.9 If the local authority decides that it does not owe the applicant the main housing duty, it must still accommodate vulnerable people, pregnant women and families with children for at least the full 56 day period of the relief duty and then allow them enough time to make alternative arrangements for when the relief duty (and their temporary accommodation) ends.
- 3.1.10 When an applicant disagrees with any of the local authority's decisions – including the suitability of any accommodation that they are offered – and requests a review of a decision or challenges a decision in the County Court, the local authority may decide (on the basis of an assessment prescribed in law) to extend the provision of temporary accommodation pending the outcome of the review or appeal.

The amount the Council pays for temporary accommodation

- 3.1.11 Although the Council's stock of temporary accommodation includes 65 council homes that are let to homeless households (at social rents) on a short-term basis, more than three quarters of the temporary accommodation that the Council uses is purchased, on a nightly basis, from private sector housing suppliers.
- 3.1.12 During the past three years (2015/16 - 2017/18), the amount of money that the Council has spent on temporary accommodation has increased by 366%. Expenditure & Income can be separated into two distinct areas:

Housing Service Accounts

The following table provides details of the payments made to housing suppliers (expenditure) and the income received from homeless households (income):

| Year | Expenditure (000's) | Income (000's) | Net Expenditure (000's) |
|-------------|--------------------------------|---------------------------|------------------------------------|
| 2015/16 | 573 | (573) | (0) |
| 2016/17 | 1,367 | (1,293) | 74 |
| 2017/18 | 2,672 | (2,661) | 10 |

Please note: This reflects the gross cost of temporary accommodation.

Benefits Service Accounts

The following table provides details of the Housing Benefit payments made to homeless households (expenditure) and the contribution that Central Government made towards these costs through Housing Benefit Subsidy (income):

| Year | Expenditure (000's) | Income (000's) | Net Expenditure (000's) |
|---------|------------------------|-------------------|----------------------------|
| 2015/16 | 901 | (773) | 128 |
| 2016/17 | 1,479 | (879) | 599 |
| 2017/18 | 2,573 | (1,168) | 1,406 |

Please note: Not all of the Housing Benefit that is paid to homeless households is covered by Central Government subsidy. In 2017/18, the Council's contribution was £1.4m.

- 3.1.13 This substantial increase in the Council's use of temporary accommodation resulted in the Benefits Service Accounts budget being overspent by £1m in 2017/18. The current forecast variance for 2018/19 is expected to be similar in nature to the 2017/18 outturn.
- 3.1.14 Bed & Breakfast accommodation – provided in guest houses and hotels – is the most expensive type of temporary accommodation that the Council uses.
- 3.1.15 Successful negotiations with the Bed & Breakfast proprietors have recently resulted in most of them agreeing lower nightly rates, based on the size of the household:
- One person: £40 per night (£280 per week)
 - Two people: £45 per night (£315 per week)
 - Three people: £50 per night (£350 per week)
 - Four people: £55 per night (£385 per week)
 - Five people: £60 per night (£420 per week)
 - Six people: £65 per night (£455 per week)
 - Seven people: £70 per night (£490 per week)
 - Eight people: £75 per night (£525 per week)
- 3.1.16 One of the main reasons why the Bed & Breakfast proprietors have agreed to the lower nightly charges is that, during the past year, the Council has procured a large supply of self-contained, nightly-purchased accommodation in Northampton and it has managed to reduce its use of Bed & Breakfast by two thirds.
- 3.1.17 All of the suppliers of self-contained, nightly-purchased temporary accommodation have agreed to charge the following standard nightly charges:
- 1-bedroom home: £38 per night (£266 per week)
 - 2-bedroom home: £45 per night (£315 per week)
 - 3-bedroom home: £52 per night (£364 per week)
 - 4-bedroom home: £59 per night (£413 per week)
 - 5-bedroom home: £66 per night (£462 per week)
- 3.1.18 Although Wellingborough is a lower priced area, the same nightly rates are being paid for Bed & Breakfast in Wellingborough and Northampton because the Council is trying to avoid placing homeless households outside of the borough. Compared to a year ago, the Council has reduced such placements by more than 80%.

3.1.19 As well as trying to reduce the number of homeless households in temporary accommodation – by preventing homelessness, increasing the supply of affordable rented housing and making it easier for people to find and keep suitable private rented accommodation – the Council is seeking to reduce the net cost of providing temporary accommodation by establishing a private sector leasing scheme and building, acquiring or creating suitable, lower cost temporary accommodation.

Housing Benefit Subsidy

3.1.20 When calculating the net cost of providing temporary accommodation, the Council needs to consider not just how much it pays and charges for the accommodation but also how much of the Housing Benefit that it pays to homeless households will be reimbursed, by the Government, through Housing Benefit Subsidy.

3.1.21 The maximum amount of Housing Benefit Subsidy that the Council can claim towards the cost of temporary accommodation is based on the size and type of the accommodation, the Broad Rental Market Area in which the accommodation is situated, the January 2011 Local Housing Allowance (LHA) rates and the amount of Housing Benefit that the household is paid.

3.1.22 With the exception of Bed & Breakfast – which attracts Housing Benefit Subsidy worth up to 100% of the January 2011 one-bedroom LHA rate – the maximum Housing Benefit Subsidy that can be claimed towards the cost of temporary accommodation is equivalent to 90% of the relevant January 2011 LHA rate.

3.1.23 Excluding the cost of any utilities (which are not eligible for Housing Benefit), the maximum amount of Housing Benefit Subsidy that can currently be claimed for Bed & Breakfast in Northampton and Wellingborough is as follows:

- Bed & Breakfast £103.85 per week
(Northampton)
- Bed & Breakfast £85.38 per week
(Wellingborough)

3.1.24 Excluding the cost of any utilities (which are not eligible for Housing Benefit), the maximum amount of Housing Benefit Subsidy that can currently be claimed for self-contained temporary accommodation in Northampton is as follows:

- 1-bedroom home: £93.47 per week
- 2-bedroom home: £114.23 per week
- 3-bedroom home: £124.61 per week
- 4-bedroom home: £171.34 per week
- 5-bedroom home: £171.34 per week

The Council's current arrangements for charging homeless households

3.1.25 Under the current arrangements, the Council charges homeless households a weekly rent that is equivalent to the amount that it pays to the housing supplier.

3.1.26 A couple with three children, for example, may be charged £420 per week for Bed & Breakfast or £364 per week if they are living in a self-contained, 3-bedroom home.

- 3.1.27 Likewise, a couple with no children may be charged £315 per week for Bed & Breakfast or £266 per week if they are living in a self-contained, 1-bedroom home.
- 3.1.28 Although these charges are high, everyone who is placed in temporary accommodation is helped and encouraged to apply for Housing Benefit and, when assessing the household's entitlement to Housing Benefit, the Council's Revenues & Benefits Service will take into account the amount the household is charged.
- 3.1.29 As Housing Benefit is means-tested, only the households on the lowest incomes will have their rent met in full by Housing Benefit.

3.2 Issues

Increased use of high cost temporary accommodation

3.2.1 Between March 2016 and the end of May 2018, the number of households living in temporary accommodation increased from 66 to 258:

- Council-owned accommodation – 60
(Northampton Partnership Homes)
- Bed & Breakfast accommodation – 19
(Private sector suppliers)
- Self-contained nightly-purchased – 179
(Private sector suppliers)

3.2.2 Although there has been a slight increase in the number of council homes being used as temporary accommodation and let to homeless households at social rents, more than three quarters of the temporary accommodation that the Council currently uses is purchased, on a nightly basis, from private sector suppliers.

3.2.3 As the high cost of this nightly-purchased accommodation is passed onto homeless households (under the current charging arrangements) a household comprising two adults and a child would be charged £350 per week in Bed & Breakfast or £315 per week in a 2-bedroom, self-contained home. This is a lot more than the £128 per week they would be charged if they were living in a 2-bedroom council home.

Increased number of homeless households in employment

3.2.4 In recent years, there has been an increase in the number of working households applying to the Council for assistance under the homelessness legislation. Many of them have become homeless due to the loss of their private rented accommodation: the main cause of homelessness in Northampton.

3.2.5 Even though homeless households' Housing Benefit entitlement will be based on the rent that they are charged, Housing Benefit is means-tested so may not cover all of the household's expenditure, including their employment-related expenses. This may make it more difficult for them to meet their rent.

Impact of the household benefit cap

3.2.6 In April 2013, the Government introduced a benefit cap that places a limit on the total amount of money that certain people of working age can receive in benefits.

- 3.3.6 It is important to note that, although the financial modelling will provide an indication of the financial impact that the changes to the charging policy are likely to have on the Council, the number of households in need of temporary accommodation can be very volatile and will normally fluctuate from day to day.

Consideration of the options

- 3.3.7 Officers have considered the various options available (see **Appendix A**, attached to this report) and have concluded that, although there is scope for the Council to reduce the amount it charges households for temporary accommodation, its ability to do so is constrained by the impact that the reduction in income will have on the Council's finances and services.
- 3.3.8 It is desirable, however, that most households living in Bed & Breakfast (especially families with children) are charged less for their accommodation than households that are living in self-contained, nightly-purchased temporary accommodation.

Option 1 (Preferred)

- 3.3.9 The preferred option is for Cabinet to approve new charging arrangements that end the Council's practice of charging homeless households a weekly rent that is equivalent to the amount that it pays to the housing supplier.
- 3.3.10 It is proposed that, with effect from 2 July 2018:
- Households in Bed & Breakfast will be charged a weekly rent that is equivalent to 120% of the April 2018 one-bedroom LHA rate for Northampton, together with a weekly utilities charge of £13.90; and
 - Households in self-contained temporary accommodation will be charged a weekly rent that is equivalent to 150% of the relevant April 2018 LHA rate for Northampton.
- 3.3.11 If Option 1 is approved, the amount that homeless households will be charged for temporary accommodation (see **Appendix A**) will be reduced by £142.44 - £387.44 per week for Bed & Breakfast and by £111.43 - £181.27 per week for self-contained nightly-purchased accommodation.
- 3.3.12 By calculating the weekly charges on the basis of a relevant benchmark (Local Housing Allowance rates) rather than the amount that the Council pays to the housing supplier for the accommodation, the Council will ensure that the charging arrangements are transparent, consistent and equitable.
- 3.3.13 Given the very high costs that the Council is incurring in procuring the temporary accommodation, the weekly charges are reasonable and, as households' Housing Benefit entitlement is based on the full charges, they are affordable. They are also significantly lower than what the Council is currently charging households.
- 3.3.14 The reduced charges will have a positive impact on those households that are affected by the weekly benefit cap of £384.62. As many of these households will be less reliant on Discretionary Housing Payments to help them meet their temporary accommodation charges, the Council will in a better position to help more households that have an urgent need for a DHP.

- 3.3.15 The introduction of the new charging arrangements will simplify and improve the Council's monitoring and forecasting of the income and net expenditure in relation to temporary accommodation which, due to the number of variables (see Paragraph 3.2.13 of this report) has proved increasingly difficult during the past year.
- 3.3.16 The new charging arrangements will help reduce the amount of time the Revenues & Benefits Service and Housing Options & Advice Team spend processing Housing Benefit / DHP claims and managing rent accounts and rent arrears. Whilst this is not a cashable benefit, it will help both services to manage their large workloads and deal with households' Housing Benefit claims and rent arrears more promptly.
- 3.3.17 Although the financial modelling (described in Paragraphs 3.3.4 - 3.4.6 of this report) indicates that the charging arrangements proposed in Option 1 will result in the net cost of temporary accommodation increasing by £156,000 per annum (£117,000 during the remainder of 2018/19), it is hoped that at least part of this may be offset by the resulting efficiency improvements and improved collection rates.

Option 2 (Not recommended)

- 3.3.18 Another option that the Council could consider is to end the Council's practice of charging homeless households a weekly rent that is equivalent to the amount that it pays to the housing supplier and replace it with the following arrangement:
- Households in Bed & Breakfast will be charged a weekly rent that is equivalent to 120% of the April 2018 one-bedroom LHA rate for Northampton, together with a weekly utilities charge of £13.90; and
 - Households in self-contained, nightly-purchased temporary accommodation will be charged a weekly rent that is equivalent to 140% of the relevant April 2018 LHA rate for Northampton.
- 3.3.19 If Option 2 is approved, the amount that homeless households will be charged for temporary accommodation (see **Appendix A**) will be reduced by £142.44 - £387.44 per week for Bed & Breakfast and by £121.73 - £200.00 per week for self-contained nightly-purchased accommodation.
- 3.3.20 For the same reasons that have been described in relation to Option 1, this Option will ensure that the Council's charging arrangements are transparent, consistent and equitable and that the charges are more affordable.
- 3.3.21 If Option 2 is approved, the reduced charges will have a positive impact on those households that are affected by the weekly benefit cap of £384.62 and, as a consequence, on the Discretionary Housing Payments budget. It will also simplify and improve the Council's monitoring and forecasting of the income and net expenditure in relation to temporary accommodation.
- 3.3.22 Although Option 2 offers the same advantages as Option 1, it is not recommended because the financial modelling (described in Paragraphs 3.3.4 - 3.4.6 of this report) indicates that the charging arrangements proposed in Option 2 will result in the net cost of temporary accommodation increasing by £199,000 per annum (£149,000 during the remainder of 2018/19).
- 3.3.23 Notwithstanding the potential for part of this increase to be offset by the resulting efficiency improvements and improved collection rates, the extra financial costs the Council will incur are too large for Option 2 to be recommended.

Option 3 (Not recommended)

- 3.3.24 Another option that the Council could consider is to end the Council's practice of charging homeless households a weekly rent that is equivalent to the amount that it pays to the housing supplier and replace it with the following arrangement:
- Households in Bed & Breakfast will be charged a weekly rent that is equivalent to 120% of the April 2018 one-bedroom LHA rate for Northampton, together with a weekly utilities charge of £13.90; and
 - Households in self-contained, nightly-purchased temporary accommodation will be charged a weekly rent that is equivalent to 130% of the relevant April 2018 LHA rate for Northampton.
- 3.3.25 If Option 3 is approved, the amount that homeless households will be charged for temporary accommodation (see **Appendix A**) will be reduced by £142.44 - £387.44 per week for Bed & Breakfast and by £132.03 - £214.50 per week for self-contained nightly-purchased accommodation.
- 3.3.26 For the same reasons that have been described in relation to Options 1 & 2, this Option will ensure that the Council's charging arrangements are transparent, consistent and equitable and that the charges are more affordable.
- 3.3.27 If Option 3 is approved, the reduced charges will have a positive impact on those households that are affected by the weekly benefit cap of £384.62 and, as a consequence, on the Discretionary Housing Payments budget. It will also simplify and improve the Council's monitoring and forecasting of the income and net expenditure in relation to temporary accommodation.
- 3.3.28 Although Option 3 offers the same advantages as Options 1 & 2, it is not recommended because the financial modelling (described in Paragraphs 3.3.4 - 3.4.6 of this report) indicates that the charging arrangements proposed in Option 3 will result in the net cost of temporary accommodation increasing by £245,000 per annum (£183,750 during the remainder of 2018/19).
- 3.3.29 Notwithstanding the potential for part of this increase to be offset by the resulting efficiency improvements and improved collection rates, the extra financial costs the Council will incur are too large for Option 3 to be recommended.

Option 4 (Not recommended)

- 3.3.30 Another option that the Council could consider is to end the Council's practice of charging homeless households a weekly rent that is equivalent to the amount that it pays to the housing supplier and replace it with the following arrangement:
- Households in Bed & Breakfast will be charged a weekly rent that is equivalent to the January 2011 one-bedroom LHA rate for Northampton, together with a weekly utilities charge of £13.90; and
 - Households in self-contained, nightly-purchased temporary accommodation will be charged a weekly rent that is equivalent to 100% of the relevant April 2018 LHA rate for Northampton.

- 3.3.31 If Option 4 is approved, the amount that homeless households will be charged for temporary accommodation (see **Appendix A**) will be reduced by £162.25 - £407.25 per week for Bed & Breakfast and by £162.95 - £222.62 per week for self-contained nightly-purchased accommodation.
- 3.3.32 For the same reasons that have been described in relation to Options 1, 2 & 3, this Option will ensure that the Council's charging arrangements are transparent, consistent and equitable and that the charges are more affordable.
- 3.3.33 If Option 4 is approved, the reduced charges will have a positive impact on those households that are affected by the weekly benefit cap of £384.62 and, as a consequence, on the Discretionary Housing Payments budget. It will also simplify and improve the Council's monitoring and forecasting of the income and net expenditure in relation to temporary accommodation.
- 3.3.34 Although Option 4 offers the same advantages as Options 1, 2 & 3, it is not recommended because the financial modelling (described in Paragraphs 3.3.4 - 3.4.6 of this report) indicates that the charging arrangements proposed in Option 4 will result in the net cost of temporary accommodation increasing by £401,000 per annum (£300,750 during the remainder of 2018/19).
- 3.3.35 Notwithstanding the potential for part of this increase to be offset by the resulting efficiency improvements and improved collection rates, the extra financial costs the Council will incur are too large for Option 4 to be recommended.

Option 5 (Not recommended)

- 3.3.36 Another option that the Council could consider is to do nothing.
- 3.3.37 If Cabinet decides to do nothing, the Council will continue to charge homeless households a weekly rent equivalent to the amount it pays to the housing supplier.
- 3.3.38 If there is no change, none of the issues described in Paragraphs 3.2.1 – 3.2.13 of this report will be addressed.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 The action that the Council is proposing to take is in line with Council policy and reflects the priorities in the Corporate Plan 2016-20.

4.2 Resources and Risk

- 4.2.1 Finance Officers have been working closely with the Housing & Wellbeing Service to identify the various options available to the Council. Extensive modelling (described in Paragraphs 3.3.4 to 3.3.6 of this report) has been carried out in relation to each of these options.
- 4.2.2 The financial modelling shows the impact on both the Housing Service Accounts and the Benefits Service Accounts i.e. total cost to the Council.
- 4.2.3 It should be noted that the costs/impact of each option is based on modelling. Whilst this will give an indication of the financial impact on the Council, there are many variables that can affect the impact (see Paragraph 3.2.13).

- 4.2.4 The following risks could impact upon the financial position of the new arrangements:
- Volumes (the number of households requiring temporary accommodation) vary significantly from the financial modelling
 - The rate the Council pays for temporary accommodation is not in line with Paragraphs 3.1.15 and 3.1.17 of this report
 - Debt (income recovery) is **not** actively managed
 - Actual income recovery rates vary from the financial modelling
- 4.2.5 It is recommended that the charging arrangements and policy for temporary accommodation are reviewed regularly and amended and/or updated, where necessary. This is reflected in Paragraph 2.1(c) of this report.
- 4.2.6 Further modelling work will be continued and informed through this process and, with improved data when collected which will be used to inform the budget requirements for 2019/20 onward. Given the number of variables, this must be accepted as a demand-led budget with multiple variables, so will always be at risk of over or underspending against and= 'annual budget'.

4.3 Legal

- 4.3.1 Section 188 of the Housing Act 1988 requires that if a local housing authority have reason to believe that an applicant may be homeless, eligible for assistance and have a priority need, they must secure that accommodation is available for the applicant's occupation. This is an interim duty to accommodate in a case of apparent priority need.
- 4.3.2 Section 206 (2) of the Housing Act 1996 states that a local housing authority may require a person in relation to whom they are discharging such functions (a) to pay such **reasonable** charges as they may determine in respect of accommodation which they secure for his occupation (either by making it available themselves or otherwise), or (b) to pay such **reasonable** amount as they may determine in respect of sums payable by them for accommodation made available by another person. The Housing Act 1996 does not define what is or is not reasonable. A local authority has a wide discretion as to what they feel to be reasonable in the circumstances.
- 4.3.3 Article 2 of the Homelessness (Suitability of Accommodation) Order 1996 requires that in determining whether accommodation is suitable for a person it shall be taken into account whether or not the accommodation is **affordable** for that person.
- 4.3.4 The statutory tests in respect of a local authority charging for temporary accommodation in individual cases are whether that charge is reasonable and affordable.
- 4.3.5 Local authorities have a legal duty to balance their finances. In setting a charging rate for temporary accommodation, any effect on the Council's finances in general ought to be taken into account.
- 4.3.6 The risk of legal challenge from persons living in temporary accommodation by approving Option 1 is arguably low. The main area of risk is monetary loss to the Council, namely as a result of the consequence of an estimated increase in the net cost of temporary accommodation of £156,000 per annum.

4.4 Equality and Health

- 4.4.1 A full Community Impact Assessment has been completed.
- 4.4.2 The proposed changes to the charging arrangements for temporary accommodation will have a positive impact on people with different protected characteristics by reducing the amount that they pay for their accommodation, especially those who are living in Bed & Breakfast accommodation.
- 4.4.3 The reduction in the weekly charges will also reduce homeless households' need for Discretionary Housing Payments and, as a consequence, relieve pressure on the DHP budget and enable more households (including those with protected characteristics) to receive DHPs that they might otherwise not have received.
- 4.4.4 These changes are part of the Borough Council's commitment to improving communities and our town as a place to live. In implementing them, the Council will have due regard to its Public Sector Duty and will continue to work to tackle discrimination and inequality and contribute to the development of a fairer society.

4.5 Consultees (Internal and External)

- 4.5.1 The changes proposed in this report have been developed in consultation with the Housing Options & Advice Service, the Revenues & Benefits Service and the Finance Team. If Cabinet approves the changes, all households that are living in temporary accommodation will be sent a letter of explanation (informing them how their weekly charges will be affected) before the changes come into effect.
- 4.5.2 Details of the new charging arrangements will also be posted on the Council's website and will be provided to everyone who requests temporary accommodation.

4.6 How the Proposals deliver Priority Outcomes

- 4.6.1 The proposed changes to the charging arrangements for temporary accommodation will help meet the following priority in the Corporate Plan:
- **Working Hard and Spending your Money Wisely:** As well as ensuring that the charging arrangements for temporary accommodation are transparent, consistent and fair, the proposed changes will help to simplify, and improve the accuracy of, the Council's monitoring and forecasting of income and expenditure. By improving efficiency, they may improve collection rates.

Appendices

Appendix A – The 5 Options: How much homeless households will pay

Background Papers

Community Impact Assessment

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APPENDIX A

The 5 Options: How much homeless households will pay

At present, the weekly charges for temporary accommodation (excluding council homes that are used as temporary accommodation) are as follows:

| BED & BREAKFAST | Current charge | SELF-CONTAINED | Current charge |
|----------------------------|-----------------------|-----------------------|-----------------------|
| One person | £280 per week | One-bedroom | £266 per week |
| Two people | £315 per week | Two-bedroom | £315 per week |
| Three people | £350 per week | Three-bedroom | £364 per week |
| Four people | £385 per week | Four-bedroom | £413 per week |
| Five people | £420 per week | Five-bedroom | £462 per week |
| Six people | £455 per week | | |
| Seven people | £490 per week | | |
| Eight people | £525 per week | | |

OPTION 1

- Households in Bed & Breakfast will be charged a weekly rent that is equivalent to 120% of the April 2018 one-bedroom LHA rate for Northampton, together with a weekly utilities charge of £13.90; and
- Households in self-contained, nightly-purchased temporary accommodation will be charged a weekly rent that is equivalent to 150% of the relevant April 2018 LHA rate for Northampton.

If these changes are implemented, the amount that homeless households will be charged for temporary accommodation will be reduced by the following amounts:

| BED & BREAKFAST | Current charge | New charge | Reduction |
|----------------------------|-----------------------|-------------------|------------------|
| One person | £280 per week | £137.56 per week | £142.44 per week |
| Two people | £315 per week | £137.56 per week | £177.44 per week |
| Three people | £350 per week | £137.56 per week | £212.44 per week |
| Four people | £385 per week | £137.56 per week | £247.44 per week |
| Five people | £420 per week | £137.56 per week | £282.44 per week |
| Six people | £455 per week | £137.56 per week | £317.44 per week |
| Seven people | £490 per week | £137.56 per week | £352.44 per week |
| Eight people | £525 per week | £137.56 per week | £387.44 per week |

| SELF-CONTAINED | Current charge | New charge | Weekly saving |
|-----------------------|-----------------------|-------------------|----------------------|
| One-bedroom | £266 per week | £154.57 per week | £111.43 per week |
| Two-bedroom | £315 per week | £195.15 per week | £119.85 per week |
| Three-bedroom | £364 per week | £209.76 per week | £154.24 per week |
| Four-bedroom | £413 per week | £280.73 per week | £132.27 per week |
| Five-bedroom | £462 per week | £280.73 per week | £181.27 per week |

OPTION 2

- Households in Bed & Breakfast will be charged a weekly rent that is equivalent to 120% of the April 2018 one-bedroom LHA rate for Northampton, together with a weekly utilities charge of £13.90; and
- Households in self-contained, nightly-purchased temporary accommodation will be charged a weekly rent that is equivalent to 140% of the relevant April 2018 LHA rate for Northampton.

If these changes are implemented, the amounts that homeless households are charged for temporary accommodation will be reduced by the following amounts:

| BED & BREAKFAST | Current charge | Proposed charge | Reduction |
|-----------------|----------------|------------------|------------------|
| One person | £280 per week | £137.56 per week | £142.44 per week |
| Two people | £315 per week | £137.56 per week | £177.44 per week |
| Three people | £350 per week | £137.56 per week | £212.44 per week |
| Four people | £385 per week | £137.56 per week | £247.44 per week |
| Five people | £420 per week | £137.56 per week | £282.44 per week |
| Six people | £455 per week | £137.56 per week | £317.44 per week |
| Seven people | £490 per week | £137.56 per week | £352.44 per week |
| Eight people | £525 per week | £137.56 per week | £387.44 per week |

| SELF-CONTAINED | Current charge | Proposed charge | Weekly saving |
|----------------|----------------|------------------|------------------|
| One-bedroom | £266 per week | £144.27 per week | £121.73 per week |
| Two-bedroom | £315 per week | £182.14 per week | £132.86 per week |
| Three-bedroom | £364 per week | £195.78 per week | £168.22 per week |
| Four-bedroom | £413 per week | £262.00 per week | £151.00 per week |
| Five-bedroom | £462 per week | £262.00 per week | £200.00 per week |

OPTION 3

- Households in Bed & Breakfast will be charged a weekly rent that is equivalent to 120% of the April 2018 one-bedroom LHA rate for Northampton, together with a weekly utilities charge of £13.90; and
- Households in self-contained, nightly-purchased temporary accommodation will be charged a weekly rent that is equivalent to 130% of the relevant April 2018 LHA rate for Northampton.

If these changes are implemented, the amounts that homeless households are charged for temporary accommodation will be reduced by the following amounts:

| BED & BREAKFAST | Current charge | Proposed charge | Reduction |
|-----------------|----------------|------------------|------------------|
| One person | £280 per week | £137.56 per week | £142.44 per week |
| Two people | £315 per week | £137.56 per week | £177.44 per week |
| Three people | £350 per week | £137.56 per week | £212.44 per week |
| Four people | £385 per week | £137.56 per week | £247.44 per week |
| Five people | £420 per week | £137.56 per week | £282.44 per week |
| Six people | £455 per week | £137.56 per week | £317.44 per week |
| Seven people | £490 per week | £137.56 per week | £352.44 per week |
| Eight people | £525 per week | £137.56 per week | £387.44 per week |

| SELF-CONTAINED | Current charge | Proposed charge | Weekly saving |
|-----------------------|-----------------------|------------------------|----------------------|
| One-bedroom | £266 per week | £133.97 per week | £132.03 per week |
| Two-bedroom | £315 per week | £165.00 per week | £150.00 per week |
| Three-bedroom | £364 per week | £180.00 per week | £184.00 per week |
| Four-bedroom | £413 per week | £247.50 per week | £165.50 per week |
| Five-bedroom | £462 per week | £247.50 per week | £214.50 per week |

OPTION 4

- Households in Bed & Breakfast will be charged a weekly rent that is equivalent to the January 2011 one-bedroom LHA rate for Northampton, together with a weekly utilities charge of £13.90; and
- Households in self-contained, nightly-purchased temporary accommodation will be charged a weekly rent that is equivalent to 100% of the relevant April 2018 LHA rate for Northampton.

If these changes are implemented, the amounts that homeless households are charged for temporary accommodation will be reduced by the following amounts:

| BED & BREAKFAST | Current charge | Proposed charge | Reduction |
|----------------------------|-----------------------|------------------------|------------------|
| One person | £280 per week | £117.75 per week | £162.25 per week |
| Two people | £315 per week | £117.75 per week | £197.25 per week |
| Three people | £350 per week | £117.75 per week | £232.25 per week |
| Four people | £385 per week | £117.75 per week | £267.25 per week |
| Five people | £420 per week | £117.75 per week | £302.25 per week |
| Six people | £455 per week | £117.75 per week | £337.25 per week |
| Seven people | £490 per week | £117.75 per week | £372.25 per week |
| Eight people | £525 per week | £117.75 per week | £407.25 per week |

| SELF-CONTAINED | Current charge | Proposed charge | Weekly saving |
|-----------------------|-----------------------|------------------------|----------------------|
| One-bedroom | £266 per week | £103.05 per week | £162.95 per week |
| Two-bedroom | £315 per week | £126.92 per week | £188.08 per week |
| Three-bedroom | £364 per week | £138.46 per week | £225.54 per week |
| Four-bedroom | £413 per week | £190.38 per week | £222.62 per week |
| Five-bedroom | £462 per week | £190.38 per week | £222.62 per week |

OPTION 5

If Cabinet decides to do nothing, the Council will continue to charge homeless households a weekly rent that is equivalent to the amount that it pays to the housing supplier. These charges are listed at the beginning of this Appendix.