



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

**NEATH PORT TALBOT COUNCIL
SOCIAL SERVICES, HOUSING AND COMMUNITY SAFETY
CABINET BOARD**

21st March 2024

Report of the Head of Housing and Communities – Chelé Howard

Matter for Decision

Wards Affected: All Wards

POLICY ON FINANCIAL CONTRIBUTIONS FOR TEMPORARY ACCOMMODATION

Purpose of the Report

To seek approval to implement a charging policy (Appendix 1) for the provision of Temporary Accommodation (“TA”) to those that are not in receipt of Housing Benefit.

Executive Summary

This report requests permission to establish a policy with regard to implementing a charge towards the cost of TA provision for households who are not in receipt of Housing Benefit.

Background

Neath Port Talbot Council (“the Council”) have a number of statutory duties under the Housing (Wales) Act 2014 in regards to the prevention and eradication of homelessness.

Over the last 24 months, the Council has seen a significant increase in people requiring TA in order to elevate their homelessness situation.

This is due to multiple national and system wide factors that impact on people's ability to access and retain affordable housing, alongside new legislative and strategic requirements from Welsh Government ("WG") that have increased the range of people owed a statutory homelessness duty.

Traditionally, those that required TA would be low income households in receipt of including Housing Benefit, which would be paid to the Council as a contribution towards the costs of providing TA.

However, alongside an increase in the number of people becoming homeless, there has also been a notable change in the demographics of those presenting to Housing Options.

Historically, it was rare for Housing Options to support people in receipt of an income that placed them outside of the eligibility criteria for welfare benefits, but this is now becoming more frequent.

As at 15/01/24, there were 10 households in Council operated TA had partial, or no entitlement to Housing Benefit and 9 households placed in Hotels/B&B accommodation. With this being a relatively new situation, there is currently no standardised policy in place for charging rent to those households in TA that are ineligible for Housing Benefit.

It is therefore proposed that the Council set a charge for households not in receipt of Housing Benefit that is in line with the Local Housing Allowance ("LHA") rate (i.e. the amount of Housing Benefit that household would receive if eligible).

For those households that require TA who are in receipt of partial Housing Benefit, it is proposed that the Council implement a 'top-up' charge of the difference between the Housing Benefit they receive and the full LHA rate.

As part of the support provided by Housing Options, Officers will support households to submit claims for eligible benefits. However,

there can be situations where a person who is likely to be eligible for Housing Benefit either fails to make an application or does not submit the necessary supporting information. Where it is deemed reasonable to expect the individual to make an application for Housing Benefit and the manager is assured that sufficient assistance has been offered to the individual, it is proposed that the Council considers on a case by case basis implementing a charge to that individual at the LHA rate.

Based on the indicative LHA rates for 2024/25, this would mean that the Council would implement a charge of up to the below amounts, with annual uplifts in line with uplifts to the LHA rates:

| Number of Bedrooms | 2023/24 Rate | Indicative 2024/25 Rate |
|---------------------------|---------------------|--------------------------------|
| Shared | 62.5 | 86.3 |
| 1 | 79.4 | 94.74 |
| 2 | 95 | 103.56 |
| 3 | 103.56 | 115.07 |
| 4 | 120.82 | 132.33 |

Those placed in a B&B/Hotel or accommodation with shared facilities such as a hostel, would be charged the shared accommodation rate.

If the Council move a household into a TA property with more rooms than is required due to a lack of available suitable sized properties, the Council would align its charge to the LHA rate for accommodation with the required number of rooms (e.g. if the Council moved a single person into a two bedded TA unit because there were no available one bedded TA units, the person would be charged the same amount as the LHA for a one bed property – i.e. we would not implement a ‘bedroom tax’).

This policy would not be used in situations where a person is waiting to receive housing benefit following a successful application as the rent arrears would be reclaimed from the back payment received.

Complaints in relation to the implementation of this policy will be managed in line with the normal complaints procedure. If a person

believes that there are exceptional circumstances which mean that they are unable to pay the full amount requested, this can be assessed on a case by case basis by the Housing Options manager and a lower amount may be agreed in line with the outcome of an affordability assessment.

The process for debt recovery of sums owed would be in line with the Council's debt and enforcement process and in line with the Council's Charter for the Collection of Debts. This process would be overseen by the Council's debtors' team (Background Paper 1 and 2).

Establishing this policy not only offers a more equitable way of implementing an affordable charge to those that require TA, but also prevents people from losing their budgeting skills. In addition, Landlords often require evidence that a prospective tenant has a good history of making regular rental payments and so this policy will enable households to evidence their ability to make payments and maintain a tenancy to Landlords, which will help to prevent individuals from becoming 'stuck' in TA.

This policy will also help those households that may have become homeless due to rent arrears evidence to a new Landlord that they are now in a more stable position and can make regular payments, again enabling these individuals to be able to move out of TA and into a more permanent home more quickly.

Financial Impacts

The high numbers of people currently in TA is creating a significant cost pressure for the Council and whilst the Council receives some income in way of Housing Benefit, this does not cover the full cost of TA provision.

A B&B placement costs £50-£120 a night and dispersed TA leased by the Council from Registered Social Landlords (RSLs) costs around £130 a week. This is the gross cost prior to housing benefit contributions being accounted for.

The Council's homelessness budget for 2023/24 is anticipated to overspend by £1.3 million, this overspend is driven by high demand for TA and this demand is anticipated to increase without putting in measures to prevent people from becoming homeless and to quickly move those that become homeless into permanent housing. A strategy to reduce homelessness was presented to Members on the 25th January 2024 (Background Paper 1).

It should be noted that the proposed policy is not primarily focused on being an income generation mechanism, the intention is to have an equitable approach to charging, to ensure that the provision of TA does not dis-enable people and help people to move out of TA into long term housing.

As we do not have historical data in relation to people in TA that do not receive Housing Benefit or only receive partial Housing Benefit, it is difficult to accurately identify how much money this would bring into the Council. By way of example, if we charged 19 households £86.30 a week, over 52 weeks this would offset £85,264.40 towards the cost of this provision.

Integrated Impact Assessment

A first stage impact assessment has been undertaken to assist the Council in discharging its legislative duties (under the Equality Act 2010, the Welsh Language Standards (No.1) Regulations 2015, the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016.

The first stage assessment, attached at Appendix 2, has indicated that a more in-depth assessment is not required. A summary is included below:

- The policy will apply to people who are not in receipt of Housing Benefit, as they have an income that places them outside the scope of means tested welfare benefits, or are only entitled to

partial Housing Benefit due to their income. The eligibility for Housing Benefit is based on a person income and as such is not linked to a persons protected characteristics. This means that the policy will not impact on people because of their protected characteristic(s).

- People that will be required to pay a fee for TA under this policy would have paid rent for accommodation prior to accessing TA and so this policy should not result in any changed position or impact for the household.
- The required fee under this policy is in line with Local Housing Allowance Rate (LHA), which is a proportionate, equitable and fair way of implementing a charge and ensures that a household would not be put at any disadvantage, given that the household would need to pay rent for accommodation if they did not require TA.
- The policy is likely to have a positive impact on people that it applies to, as it will enable households to evidence that they are able to make regular rental payments to a perspective landlord and will prevent households from losing their daily living skills, for example budgeting household costs. This should make it easier and quicker for the household to find a permanent home and reduce the length of time they require TA.
- Charging a fee will have a positive impact on the current homelessness budget overspend and will support long term sustainability in respect of the Council's ability to meet demand for homelessness services. A sustainable budget will have a positive impact on all those that require support from Housing Options, including those with a protected characteristic.

Valleys Communities Impacts

It is not anticipated that this policy will have any specific or disproportionate impact on valley communities.

Workforce Impacts

Establishing this policy will have a positive impact on the workforce as there will be a framework in place with regards to managing situations where a person in TA is not in receipt of Housing Benefit.

Legal Impacts

None.

Risk Management Impacts

The primary risk of implementing this policy would be in relation to a person not being able to afford the payment, however this risk is mitigated by linking the rent to the LHA rate and by enabling those with exceptional circumstances to request a lesser amount in line with an affordability assessment.

The risks of not implementing this policy are described within the body of this report but can be summarised as follows:

- Risk to the Council's budget if no payment is requested.
- Risk of being unequitable in determining fees.
- Risk of disabling those that require TA and people losing daily living skills such as budgeting.
- Risk that people in TA may be unable to find long term accommodation due to an inability to evidence a history of paying rent.

Consultation

There is no requirement for external consultation on this item.

Recommendations

Having had due regard to the integrated impact assessment, it is recommended that the Council implement a charging policy linked to

HLA rates for the provision of TA to those households that are not in receipt of Housing Benefit.

Reasons for Proposed Decision

To ensure that there is a transparent and equitable process to determining fees for the provision of TA.

Implementation of Decision

The decision is proposed for implementation after the three day call in period.

Appendices

Appendix 1: Fee Policy for Temporary Accommodation.

Appendix 2: IIA.

List of Background Papers

Background Paper 1: NPT CBC Debt and Enforcement Policy -

<https://beta.npt.gov.uk/business/business-rates/debt-and-enforcement-agents/>

Background Paper 2: NPT CBC Charter for the Collection of Debts -

<https://beta.npt.gov.uk/business/business-rates/debt-and-enforcement-agents/charter-for-the-collection-of-debts/>

Background Paper 3: Housing and Homelessness Strategic Plan 2024-2027.

Officer Contact

Chelé Zandra Howard, Head of Housing and Communities

Email: c.howard@npt.gov.uk

Emma O'Brien, Homelessness and Housing Options Manager

Email: e.obrien@npt.gov.uk