

Committee: Cabinet

Agenda Item

Date: 24 October 2013

13

Title: Bed and Breakfast charges

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Key Decision: no

Summary

1. This report considers the current contribution that clients make to the cost of bed and breakfast accommodation provided by the council in cases of emergency homelessness.

Recommendations

2. That Cabinet accepts the recommendation of the Housing Board to increase the contribution clients make towards the cost of providing them with emergency bed and breakfast or nightly let accommodation.
3. That Cabinet agree that bed and breakfast charges are a stated exception to the Council's Pricing & Concessions Policy.

Financial Implications

4. An increase in the charges to clients placed into emergency bed and breakfast accommodation will reduce the cost of providing this type of accommodation to the Council and mitigate potential financial loss should the use of bed and breakfast increase.

Background Papers

5. None

Impact

- 6.

Communication/Consultation	Other LA's
Community Safety	n/a
Equalities	The charges will be in line with DWP calculations on housing benefit
Health and Safety	None
Human Rights/Legal	None

Implications	
Sustainability	n/a
Ward-specific impacts	n/a
Workforce/Workplace	Housing Options/Homelessness

Situation

7. The current charges for bed and breakfast have not been increased for many years. Currently where a client has an income other than benefits they are asked to pay a contribution towards the cost of their bed and breakfast of £4 per night per adult and £2 per child.
8. Even where the client can claim housing benefit and they make no financial contribution there is a shortfall in the actual cost of the accommodation and what the council receives via housing benefit. This is made up of service charges for heat, light, water, breakfast etc, costs which would normally be payable by a claimant living in any type of accommodation.
9. Having explored how other local councils cover the cost of bed and breakfast type accommodation it is clear that the current charges that Uttlesford make are well below those of other councils.
10. It is therefore proposed that as from 1 November 2013 all clients who would normally be entitled to full housing benefit will pay a weekly service charge for bed and breakfast accommodation or any other type of nightly let accommodation. The charges will be set at the level of the standard weekly deductions as set out by the Department of Works and Pension's (DWP) Housing Benefit policy. The proposed charges are therefore £21 per week plus £3.15 per person per week for food for one room and £39 per week plus £3.15 per person per week for two rooms. These charges will be reviewed each April and be adjusted according to Housing Benefit and DWP policy.
11. Clients who are eligible for only partial housing benefit will pay the above charges and will then be invoiced for the shortfall amount between the actual cost of the accommodation and the amount received via housing benefit once their claim has been assessed.
12. Clients who are not eligible to claim any housing benefit because they have a high income or are above the threshold for savings will be charged the full cost of the bed and breakfast or nightly let accommodation.

13.

	Current Contribution	New Contribution
On Full Housing Benefit	Nil	£21 per week for one room £39 per week for two rooms Plus £3.15 per person per week for food
On Part Housing Benefit	Nil	£21 per week for one room £39 per week for two rooms Plus £3.15 per person per week for food Plus any shortfall between full cost – the above charges and the amount received in housing benefit
No Housing Benefit	£4 per adult per night £2 per child per night	Payment in full

14. It is currently an anomaly that only clients being placed in bed and breakfast type accommodation make no contribution towards their housing even though everyone else in whatever type of accommodation they are in has to pay towards their heating lighting and food.

15. Making charges as proposed is usual practice for local authorities and Shelter advises their clients that these charges will be payable when they are placed in emergency bed and breakfast type accommodation.

16. Officers consider that the Council's Pricing & Concessions Policy is not applicable or appropriate for bed and breakfast charges due to the relationship between costs and benefit entitlement which governs the amounts to be charged, and the infeasibility of requiring up-front payment necessitating a more practical approach. Members are asked to approve that bed and breakfast charges are a stated exception to the standard Policy.

17. The income and expenditure on emergency accommodation during 2012/13 was as detailed below, this shows that there was a shortfall of £4844.07 because of expenditure not covered by housing benefit payments.

	Bed and Breakfast Expenditure	Income from Housing Benefit
2012/2013	£35,470.75	£30,626.68

Risk Analysis

15.

Risk	Likelihood	Impact	Mitigating actions
That clients do not pay the charges levied	2. There is some risk that clients will not pay any charges but this can be lessened by explaining that the duty to provide accommodation will cease if the charges are not paid	2. There will be some impact if charges are unpaid although this will be limited as currently the council is either levying no charge or a very small charge that does not relate to costs	Clients will be informed of the charges before placed in the accommodation and the consequences of not paying. Some payments will be paid directly to provider, for the remainder invoices will be raised accordingly. Weekly checks will be made on payment

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.