

Rent and Service Charge Setting Policy: Temporary Accommodation

1.0 Purpose of the Policy

1.1 This policy sets out Maidstone Borough Council's approach to administering and reviewing rents and service charges for all residents living in MBC owned and managed Temporary Accommodation.

For residents living in:

- Temporary accommodation where a main or interim duty is owed under the homelessness legislation both in MBC owned and Nightly Paid for temporary accommodation owned by other landlords.
- Discretionary/Rough Sleeping Initiative accommodation including Supported Temporary Accommodation.

2.0 Policy Scope and Objectives

2.1 This policy applies to all Temporary Accommodation and Supported Temporary Accommodation managed in the Council's General Fund including:

- Non-Secure Tenancies
- Excluded Licences

2.2 This policy aims to ensure that:

- MBC adheres to government legislation when setting rents.
- Rents are fair and affordable and set in line with regulatory or statutory guidelines.
- All information is set out in a clear and transparent way for tenants and licensees.

3.0 Legal and Regulatory Framework

3.1 Maidstone Borough Council will adhere to the following legislation and requirements:

- Landlord and Tenant Act 1985 (as amended).
- Housing Acts 1985, 1988 and 1996.
- Service Charges (Consultation Requirements) (England) Regulations 2003).
- The Service Charges (Summary of Rights and Obligations, and Transitional Provisions) (England) Regulations 2007
- Homelessness (Suitability of Accommodation) Order 1996.
- Housing Benefit Subsidy rules from April 2017
- Welfare Reform and Work Action 2016
- Social Housing Rents (Exceptions and Miscellaneous Provisions) Regulation 2016.

4.0 Background

- 4.1 Temporary accommodation and supported temporary accommodation provided by a local housing authority in discharging their homeless functions are excluded from the directions of the 2023 Rent Standard as defined in Chapter 5 of the Rent Policy Statement.

5.0 Rent Setting

5.1 Council Owned temporary accommodation.

Rent setting for Temporary Accommodation (TA) and Supported Temporary Accommodation managed within the Council's General Fund are set in line with relevant government guidance on housing benefit entitlement.

- 5.2 The Council will make reasonable charges for the use and occupation of TA provided to homeless households to support the Council with the costs incurred by the provision of TA. Homeless households occupying TA can seek support towards the cost of the accommodation through a claim and award of Housing Benefit.

- 5.3 Rents are set to reflect the level of Housing Benefits available to claimants as follows:

Where Maidstone Borough Council is the claimant's immediate landlord, and the property is:

- i) owned by the Council or
 - ii) is self-contained accommodation which the authority has a right to use under an agreement, other than a lease, with a third party (for example, self-contained licensed accommodation) accommodation held outside the Housing Revenue Account, on a lease granted for a term not exceeding ten years, and the accommodation has been made available to that person, by the LA, to either discharge a homelessness function or to prevent the person being or becoming homeless.
- 5.4 The charge to a household for their use and occupation of TA are set at the maximum Housing Benefit (HB) level payable as detailed in the Housing Benefit subsidy rules for TA capped at a maximum of £375 per week for TA located in Broad Market Rental Areas (BMRA) outside of London.
- 5.5 For Maidstone Borough Council owned properties and accommodation on short leases. Rents are set at the current LHA level. As follows:

Number of Bedrooms	2024 LHA Rate for TA (per week)
Shared	£102.37
One	£172.60
Two	£208.27
Three	£276.16

Four	£356.71
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5.6 Nightly Paid Temporary Accommodation

- 5.7 Where housing is provided for TA through another landlord rents will be set to reflect the values of HB a claimant can receive.

These rents will be charged at 2011 LHA values. These are properties that are not owned by MBC, they are utilised on a nightly paid agreement (local landlords, hotels and similar).

Set at 90th percentile of the 2011 LHA rate, dependant on size and location of the property.

Number of Bedrooms	2011 LHA Charge for TA (per week)
Shared & One	£114.17
Two	£140.59
Three	£165.06
Four	£207.69

- 5.8 Higher charges for the use and occupation of TA directly owned and on a short lease to the Council is reflective of the additional ongoing costs incurred by the Council to manage and maintain this stock, including responsibilities for responsive and planned maintenance and repairs, insurance, and cyclical works.

6.0 **Service Charges**

- 6.1 A service charge is a payment for the costs of managing, maintaining, repairing and providing specific services in addition to the basic rent charged.

Examples of services are:

- Cleaning of communal rooms, hallways, corridors and staircases
- Window cleaning in communal areas
- Door entry systems
- Fire alarm/emergency lighting
- Fire safety equipment
- Alarm system and security services
- Landscaping/grounds maintenance
- Laundry equipment
- Lifts
- Electricity, water and gas in communal areas
- Scheme Manager

- 6.2 For some TA owned by the Council, there may be both eligible and ineligible service charges payable in addition to the rent charge.

- 6.3 Eligible service charges are those charges relating to the provision of items listed in 6.1 above. Ineligible services charges relate to non-communal daily living expenses, such as personal use of water, lighting, heating.
- 6.4 The Council will apply eligible and ineligible service charges to TA owned by the Council, where such services are provided.
- 6.5 Ineligible service charges are only chargeable on properties where the Council pays for the resident's personal use of water, lighting, and heating.
- 6.6 Temporary Accommodation service charges are fixed. This means that the service charge is reviewed once a year at the same time as any review of the rent. Any change in the service charge will be notified to tenants along with any notice of rent increase. The charge will be based on either reasonable costs incurred during the previous accounting period or on estimates for the current or next accounting period. The difference between any estimate and the actual cost will not be carried forward.

7.0 Rent Collection

- 7.1 Rent and service charges that are payable are due on or before Monday of each week.
- 7.2 Where a resident is accommodated for part of a week, a daily charge will be applied.
- 7.4 The Council may change tenants' rent by giving the tenant not less than four weeks notice in writing. The notice shall specify the new rent (and service charges where applicable) proposed.
- 7.5 If the tenant receives Housing Benefit or Universal Credit and their circumstances change, the tenant must contact the appropriate service immediately as these changes may affect the tenants' entitlement to benefit and, as a result, the amount of rent to be paid.

10.0 Equality and Diversity

- 10.1 Maidstone Borough Council adopts a flexible approach to ensure that different needs are met and well supported.
- 10.2 The Council recognise that some individuals may experience discrimination and disadvantage. The Council seeks to ensure that this Policy does not discriminate on any grounds.

11.0 Monitoring and Review

The level of charges will be reviewed annually in line with Council's budget setting process and having due regard to the relevant regulations. This Policy document will be reviewed every 5 years, or sooner if significant and relevant statutory changes occur.

Rent Setting Document For Residential Accommodation November 2024

MBC & External Provider Temporary Accommodation

	Rent On Initial Set Up	Service Charge	LHA/HB Values	Annual Increase existing tenant	Relet from VOID to new tenant	Process for annual increase
Temporary Accommodation Excluded Licence/Non-Secure Tenancy MBC Owned & short lease	Exempt from Rent Standard. Current LHA level	Separate charge not HB eligible Value relates to specific property	2024 LHA rates 0 b £102.37 1 b £172.60 2 b £208.27 3 b £276.16 4 b £356.71	Max HB level set by government regulation for size of property.	Relet at the appropriate max HB rate for the financial period.	Rent increase notified in writing to tenant as per licence, to commence April each year.
Nightly Paid Excluded Licence/Non-Secure Tenancy	Exempt from Rent Standard. Set at 90 th percentile on 2011 LHA rate.	NA	1 b £114.17 2 b £140.59 3 b £165.06 4 b £207.69 Locality dependent	Max HB level set by government regulation for size of property. April increase.	Relet at the appropriate max HB rate for the financial period.	Rent increase notified in writing to tenant as per licence, to commence April each year.
Discretionary/RSI Accommodation Excluded Licence/Non-Secure Tenancy	Exempt from Rent Standard. Max HB allowance for size of property; eligible support charges agreed with HB Team	Separate charge not HB eligible Value relates to specific property	1 b £114.17 2 b £140.59 3 b £165.06 4 b £207.69	Max HB level set by government regulation for size of property. April increase.	Relet at the appropriate max HB rate for the financial period.	Rent increase notified in writing to tenants as per licence, to commence April each year.