

# Rent and Service Charge Setting Policy: Temporary Accommodation

## 1.0 Purpose of the Policy

1.1 This policy sets out Tonbridge & Malling Borough Council's (TMBC) approach to administering and reviewing rents and service charges for all residents living in Temporary Accommodation provided by TMBC. This accommodation is comprised of a combination of:

- **Private Sector** – TMBC directly obtains accommodation from private sector landlords, which is used to house homeless households.
- **Council owned/leased** – TMBC owned or leased premises use to house homeless households; and
- **Housing association** – TMBC has an arrangement with a Housing Association (HA). Cases are referred to the HA in line with that arrangement and the homeless households are housed in the premises directly owned by the HA.

## 2.0 Policy Scope and Objectives

2.1 This policy applies to all Temporary Accommodation provided by TMBC in connection to discharging a homelessness function or to prevent a person from becoming homeless.

2.2 This policy aims to ensure that:

- TMBC adheres to government legislation when setting rents.
- Rents are fair and affordable and, where appropriate, set in line with regulatory or statutory guidelines.
- All information is set out in a clear and transparent way for Licensees.

## 3.0 Legal and Regulatory Framework

3.1 TMBC 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 Act 2016
- Social Housing Rents (Exceptions and Miscellaneous Provisions) Regulation 2016.

#### 4.0 **Background**

- 4.1 Temporary accommodation provided by a local housing authority in discharging their homeless functions are excluded from the directions of the 2023 Rent Standard.

#### 5.0 **Rent Setting – Council Owned Accommodation**

- 5.1 For Temporary Accommodation, “Council owned” is defined as TMBC either holding the freehold or the leasehold for a duration of more than ten years.

Rents for TMBC-owned Temporary Accommodation (TA) are set with regard to relevant government rules on housing benefit (HB) subsidy and what could be considered to be a “reasonable” rent to charge.

- 5.2 The charge to a household for their use and occupation of TA is in accordance with the maximum HB payable as detailed in the subsidy rules for TA.

For TMBC-owned properties, rents are set at what TMBC determines is a “reasonable” rent for the accommodation that is being provided. This will be determined on a scheme-by-scheme basis with reference to current market rental values.

- 5.3 The higher charge for the use and occupation of TA stock owned by 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.

- 5.4 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.

#### 6.0 **Rent Setting – Accommodation Obtained from the Private Sector**

- 6.1 Accommodation obtained from the private sector by TMBC is used on order to discharge homelessness functions or to prevent a person from becoming homeless.

- 6.2 Rent setting for Temporary Accommodation (TA) obtained from the private sector are set with regard to relevant government rules on housing benefit (HB) and subsidy and other regulatory guidelines on rent setting (Local Housing Allowance rates).

- 6.3 The charge to a household for their use and occupation of TA is in accordance with the maximum HB payable as detailed in the subsidy rules for TA, capped at a maximum of £375 per week for TA located in Broad Market Rental Areas (BMRA) outside London.

- 6.4 For non-self-contained accommodation that has been obtained from the private sector, rents are set at the lower of the £375 cap, and one bedroom LHA rate for January 2011 for the appropriate BRMA.
- 6.5 For self-contained accommodation that has been licensed from the private sector, rents are set at the lower of the £375 cap, and 90% of the appropriate LHA room rate for January 2011 for the appropriate BRMA.
- 6.6 Homeless households occupying TA can seek support towards the cost of the accommodation through a claim and award of Housing Benefit.
- 7.0 **Rent Setting – Accommodation provided by agreement with Housing Associations**
- 7.1 Accommodation owned by a housing association (HA) can be used as temporary accommodation, providing a referral by TMBC to the HA has been made (in line with an agreement to do this), in order to discharge homelessness functions or to prevent a person from becoming homeless.
- 7.2 Rent setting for Temporary Accommodation (TA) provided by agreement with HAs are set with regard to relevant government rules on housing benefit (HB) and subsidy and other regulatory guidelines on rent setting (Local Housing Allowance rates).
- 7.3 The charge to a household for their use and occupation of TA is in accordance with the maximum HB payable as detailed in the subsidy rules for TA, capped at a maximum of £375 per week for TA located in Broad Market Rental Areas (BMRA) outside London.
- 7.4 For non-self-contained accommodation that has been owned by a HA, rents are set at the lower of the £375 cap, and the one bedroom LHA rate for January 2011 for the appropriate BRMA.
- 7.5 For self-contained accommodation that has been owned by a HA, rents are set at the lower of the £375 cap, and 90% of the appropriate LHA room rate for January 2011 for the appropriate BRMA.

## 8.0 **Service Charges**

8.1 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

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

8.3 Eligible service charges are those charges relating to the provision of listed in 8.1 above. Ineligible services charges relate to non-communal daily living expenses, such as personal use of water, lighting, heating.

8.4 The Council will apply eligible and ineligible service charges to TA owned by the Council, where such services are provided.

8.5 Ineligible service charges are only chargeable on properties where the Council pays for the resident's personal use of water, lighting, and heating.

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 in the notice of rent increase. Where applicable, the charge will be based on a statutory rate, notified by the Government and usually applicable from April.

## 9.0 **Rent Collection**

9.1 Rent and service charges that are payable are invoiced weekly in advance and are due within seven days.

9.2 Where a resident is accommodated for part of a week, a daily charge will be applied.

9.3 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.

9.4 If the tenant receives Housing Benefit or Universal Credit and their  
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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 Recovery of rent arrears**

- 10.1 Any unpaid rent or service charges will be recovered in accordance with the appropriate TMBC Recovery policy.
- 10.2 Unpaid rent or service charges may result in TMBC seeking to discharge its duty to house the residents of the property in question.

#### **11.0 Equality and Diversity**

- 11.1 TMBC adopts a flexible approach to ensure that different needs are met and well supported.
- 11.2 The Council seeks to ensure that this Policy does not discriminate on any grounds. A sustainability and affordability assessment will be carried out for every customer who is requesting to be placed into TA, therefore meaning that all personal circumstances and situations will be considered.

#### **12.0 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 and market value of rents.

### 13.0 Version Control

Date of revision	Details of change
5/2/2025	TA charging policy created.