

East Herts Council – Non-Key Decision Record

Record of an executive decision made by an individual under Regulation 13 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations, 2012.

Reference Number: NKD20/19

Decision taken by:

Councillor Peter Boylan, Executive Member for Neighbourhoods

Decision

Cessation of the charge levied to homeless people temporarily housed in bed and breakfast accommodation for costs not eligible for housing benefit

Date of decision

9 December 2020

Reason(s) for decision

Context

1. Over the last year there has been a significant increase in the council's use of bed and breakfast accommodation as temporary accommodation for those approaching the council facing or experiencing homelessness. Of note, there was an average of just five households in bed and breakfast at any one time in 2018/19 which has risen to an average of 21 so far in 2020/21, *excluding additional need resulting from the coronavirus emergency*. The increase is due to a combination of local housing price and private rent inflation and the extension of duties to homeless households brought in by the Homelessness Reduction Act 2017.
2. This increase has highlighted the difficulties for those placed in bed and breakfast posed by the charge made by the council

to cover costs not eligible for housing benefit. The weekly charge levied by the council is £27. This charge is made regardless of the size of the household or income/benefits received which can be challenging for those reliant on Job Seekers Allowance.

3. This situation is untenable for a number of people placed in bed and breakfast accommodation who then do not pay it. The payment rate over the period 2015/16 – 2019/20 inclusive has been only 30.5% despite the council's best efforts to collect the monies owed.

The anticipated level of bed and breakfast use following the council's acquisition of The Rectory for use as temporary accommodation

4. The recent acquisition of The Rectory flats for use as temporary accommodation will dramatically reduce the use of bed and breakfast accommodation. It is anticipated that some bed and breakfast accommodation will, however, still be used when (a) the household only needs temporary accommodation for a few days, (b) all flats are full at The Rectory and Hillcrest (the council's other flats used for housing homeless households) or (c) The Rectory or Hillcrest would not be suitable for the homeless household.
5. The Service Manager – Housing Services has reviewed all bed and breakfast placements in 2019/20 and calculated that once The Rectory is fully operational a total of around 40 households are likely to be placed in bed and breakfast in any one year, corresponding to a total of 53 whole weeks. Thus, it can be calculated that the charges levied at £27 per week given this residual level of bed and breakfast use would summate to £1,431 for the year. If the current payment rate of 30.5% continued, this would give the council an annual income of £436.46.

The proposal

6. Considerable staff time is incurred raising and issuing invoices for these charges, chasing and remitting any income gained and ultimately writing off bad debt. It is thus proposed to cease levying this charge as soon as this decision is made.

Other councils' approaches to charging

7. The Housing Service has asked Hertfordshire authorities what approach they take to charging. We have had responses from six authorities plus Harlow. All of those responding (Dacorum, Harlow, North Herts, St Albans, Three Rivers and Welwyn Hatfield) do not levy any charge, except Watford who levy a charge of £17 per week, however, they make virtually no use of bed and breakfast given the other options in their borough; they have only one household in bed and breakfast at present.

Financial considerations

8. The council's Head of Finance and Property has been consulted about this decision and supports the proposal. He is particularly keen to see the staff time released used, at least in part, to ensure a continued high level of, and where possible further increase, the repayment of rent deposit and rent in advance monies made available by the council. This has been included in the proposal.

Details of alternative options considered and rejected

9. Continue to levy the charge – NOT RECOMMENDED as the staff costs to process the charges far outweigh both the total sums to be levied once The Rectory is fully utilised and the likely income payable at historic payment rates. Staff time would be redirected to providing direct support and advice to

homeless households and maximising repayment of rent deposits and rent in advance payments

10. Levy a reduced charge – NOT RECOMMENDED as the staff costs to process the charges far outweigh both the total sums to be levied once The Rectory is fully utilised and the likely income payable at historic payment rates and the imbalance is likely to only increase if a lower charge were to be levied.
11. Increase the charge to recover staff costs – NOT RECOMMENDED. The charge would need to be significantly increased and already the ability to pay the current charge is proving so challenging for many homeless households that the payment rate is less than one third.

Does the decision or report contain exempt information?

No.

Declaration of or conflict of interest

No conflict of interest.

State, in respect of any declared conflict of interest, whether any dispensation has been granted

N/a

Contact Officer

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