

CROYDON COUNCIL HOUSING

Temporary Accommodation Charging Policy

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1. Policy Statement

- 1.1. Under the Housing Act 1996, local authorities have powers to provide accommodation and a legal duty to secure temporary accommodation to certain households while their homelessness application is being assessed and, until no duty is owed. The Act also permits councils to apply reasonable charges for this accommodation. However, councils are not required to accommodate everyone who is homeless; the duty to secure temporary accommodation arises only in specific circumstances set out in legislation, such as where an applicant appears to be eligible, homeless, and in priority need.

2. Purpose of the policy

- 2.1. This policy sets out London Borough of Croydon's approach to administering and reviewing rents and service charges for all residents living in Temporary Accommodation provided by the Council. This accommodation is comprised of a combination of:
- Private Sector – The Council directly obtains accommodation from private sector landlords and suppliers which is used to house homeless households.
 - Council owned/leased – Council owned or leased premises used to house homeless households.
- 2.2. This policy applies to all Temporary Accommodation secured by the Council in performance of the powers and duties in [Part VII of the Housing Act 1996](#).

3. Policy Scope and Objectives

- 3.1. This policy applies to all Temporary Accommodation provided by the Council in connection with discharging its homelessness functions or preventing a person from becoming homeless.
- 3.2. This policy aims to ensure that:
- The Council adheres to government legislation when setting rents for temporary accommodation.
 - Rents are fair and affordable and, where appropriate, set in line with regulatory or statutory guidelines.
 - All information about rent and charges is set out in a clear and transparent way.

4. Legal and Regulatory Framework

- 4.1 The Council will adhere to the following legislation and requirements:
- Landlord and Tenant Act 1985 (as amended).
 - Housing Acts 1985, and 1996.

- Local Government and Housing Act 1989
- 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.
- Income-related Benefits (Subsidy to Authorities) Order 1998 (as amended by, amongst other orders, the Income-related Benefits (Subsidy to Authorities) (Temporary Accommodation) Amendment Order 2010)
- Government's Policy Statement on Rents for Social Housing (the Rent Policy Statement)
- The Rent Standard

5. Alignment with Council Strategies

5.1 This policy is designed to complement and support the following:

- **Homelessness and Rough Sleeping Strategy**
Outlines the Council's commitment to preventing homelessness and ending rough sleeping across the borough.
- **Placement Policy for Temporary Accommodation and Private Rented Sector Offers (PRSO)**
Sets priorities for allocating temporary accommodation and making private sector offers based on household need and location.
- **Equality and Diversity Framework**
Ensures compliance with the [Public Sector Equality Duty and the requirements under the Equality Act 2010](#).

6. Background

- 6.1. Temporary accommodation (as defined in chapter 5 of the Policy Statement of Rents for Social Housing 1.4.26) secured by a local housing authority in discharge of their homelessness functions is excluded from the directions of the 2026 Rent Standard.
- 6.2. The charge to a household for their use and occupation of temporary accommodation is in accordance with the maximum Housing Benefit payable as detailed in the subsidy rules for temporary accommodation and what is a 'reasonable' rent to charge. This supports the Council with the costs incurred and homeless households occupying temporary accommodation can seek support towards the cost of the accommodation through a claim and award of Housing Benefit.

7. Rent Setting principles

7.1 Accommodation directly leased from the Private Sector for less than 10 years.

- 7.1.1 For these homes, the current rent charged is based on the maximum Department for Work and Pensions (DWP) subsidy rate (90% of the 2011 Local Housing Allowance (LHA)). For self-contained accommodation obtained from the private sector, rents are set at the lower of the Council's applicable cap and the relevant one-bedroom Local Housing Allowance (LHA) rate for the property's location.
- 7.1.2 For these homes, the current rent charged is based on the maximum Department for Work and Pensions (DWP) subsidy rate (90% of the 2011 Local Housing Allowance (LHA)). self-contained accommodation (board and lodgings) obtained from the private sector; rents are set at the lower of the Council's applicable cap and the relevant one-bedroom Local Housing Allowance (LHA) rate for the property's location.
- 7.1.3 These rent levels will be reviewed and updated in line with any future changes to Local Housing Allowance or other government-determined subsidy rules.
- 7.1.4 For self-contained accommodation obtained from the private sector, rents are currently set at the lower level of the £500 cap and 90% of the appropriate January 2011 Local Housing Allowance rate based on the property's location. This will be updated in line with any changes government makes to applicable Local Housing Allowance levels going forward.
- 7.1.5 These arrangements ensure that rents are affordable for those on full Housing Benefit, who will continue to have their full rent covered. Those on partial Housing Benefit will continue to make the same contributions which would be required if Department for Work and Pensions funded the entire rent. Any subsidy shortfall is paid by the Council.
- 7.1.6 Within the current homeless accommodation portfolio, this applies to nightly paid accommodation and other private sector accommodation leased for a period of 3-5 years.

7.2 Accommodation leased from the Private Sector for more than 10 years

- 7.2.1 Where the Council holds a lease of more than ten years for self-contained temporary accommodation, the property does not fall under Article 17 of the Subsidy Order. This means the Housing Benefit subsidy is not restricted to 90% of the January 2011 Local Housing Allowance rate.
- 7.2.2 This enables the Council to recover the full cost of eligible Housing Benefit payments for these longer lease, self-contained temporary accommodation units.
- 7.2.3 In addition, exceptions to the application of the Rent Standard for low-cost rental accommodation exist, notably in the case of temporary social housing. Temporary social housing is defined in the Rent Policy Statement

as affordable rental housing allocated to individuals identified as homeless under the Housing Act 1996, provided under a license by a local authority, where: (a) The local authority is obligated under Part 7 of the Housing Act 1996 towards the individual, (b) The provided accommodation is not associated with the account maintained under section 74(1) of the Local Government and Housing Act 1989 (the obligation to maintain a Housing Revenue Account), and (c) The local authority possesses the social housing under a lease or license with a duration of more than two years but less than 30 years.

7.2.4 Within the current homeless accommodation portfolio, this applies to schemes like Zodiac, Red Clover and Concord, Sycamore & Windsor (CSW). Currently, these are the properties that will be caught up by this policy, but the Policy aims to apply to all future properties.

7.2.5 Under the Rent Standard, temporary social housing provided by a local authority and held under leases of more than 2 years, but less than 30 years can be exempt from the Rent Standard.

8. 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.

8.2. Examples of some of the services that may be provided 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
- Communal laundry equipment
- Lifts
- Electricity, water and gas in communal areas
- Scheme Manager/Security

8.3. For some temporary accommodation properties, there may be both housing benefit eligible and ineligible service charges payable in addition to the rent charge.

8.4. Eligible service charges are those charges relating to the provision listed in 8.2 above. Eligible largely relates to those costs directly attributable to the upkeep of the property. Ineligible services charges relate to non-communal daily living expenses, such as personal use of water, lighting, and heating.

- 8.5. Ineligible service charges are only chargeable on properties where the Council pays for the residents personal use of water, lighting, and heating. Any change in the service charge will be notified to tenants.
- 8.6. The Council will apply for eligible and ineligible service charges where such services are provided.

9. Review of Rents & Service Charges:

- 9.1. The Council will review all rents and service charges on an annual basis, normally from 1 April each year, or such other date as may be determined in accordance with applicable legislation or Government guidance.
- 9.2. Service charges will also be reviewed annually to ensure they reflect the actual or estimated cost of providing the services to which they relate. Charges may increase or decrease depending on the cost of provision, changes in the level or nature of the service, and statutory requirements.
- 9.3. Tenants will be given at least 28 days' written notice of any change to rent or service charges. Notices will include the revised amounts and the date from which the changes take effect.

10. Exclusions from this policy

- 10.1 This policy does not apply to council tenants who are temporarily relocated from their homes due to essential works. In these cases, the Council usually meets the cost of the temporary accommodation, while the tenant continues to pay rent and service charges on their existing council tenancy
- 10.2 Council owned properties used to provide temporary accommodation - the rents and service charges for these homes are set under the Rent Standard and so are not covered by this policy.
- 10.3 The Policy will not cover any accommodation provided within the Housing Revenue Account (HRA) under a secure tenancy.

11. Affordability and Support

- 11.1 As part of the assessment of homeless applicants, the Council will assess affordability to ensure charges are manageable for households.
- 11.2 Households will also be signposted to advice on welfare benefit entitlements and income maximisation services.
- 11.3 To make this information accessible, the Council will take reasonable steps to ensure households understand their charges. This may include signposting to support services and offering information in alternative formats or translated versions, in line with the Council's Equality and Diversity Framework.

12. Housing Benefit Support

- 12.1. All households placed in temporary accommodation are required to submit a Housing Benefit application to determine eligibility for assistance with rent costs.
- 12.2. While it is the household's responsibility to apply for and maintain their claim, the Council will provide guidance and support throughout the application process where needed.

13. Rent Contributions

- 13.1. LHA rates do not reflect current market rents and private landlord charges often exceed the subsidy level, creating a shortfall that the Council must cover.
- 13.2. Homeless households have a responsibility to contribute to the cost for temporary accommodation depending on their circumstances and entitlement to housing benefit following a claim:
 - **Full Housing Benefit:** Covers the entire rental element.
 - **Partial Housing Benefit:** Household pays the difference between entitlement and actual rent.
 - **No Housing Benefit:** Household pays the full rental amount.

14. Additional Household Costs

- 14.1. In some types of temporary accommodation, an additional service charge may apply to cover communal services such as heating, lighting, cleaning, and grounds maintenance.
- 14.2. Households are also liable for Council Tax. Those on a low income may qualify for Council Tax Reduction and should apply for this.

15. Payment of Charges

- 15.1. Where a household receives full or partial Housing Benefit; the payment will be credited directly to their rent account. Any remaining balance that the household is responsible for must be paid in advance each week.

Accepted payment methods include:

- Standing order or bank transfer
- Debit or credit card payments by phone
- Online payment
- Swipe card payments at any Post Office

16. Equality and Diversity

- 16.1. Croydon Council seeks to ensure that different needs of residents are identified, met and supported if required.
- 16.2. 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.

Download the [Equality and diversity | Croydon Council](#)

17. Data Protection

- 17.1. Data Protection Act 2018 and the UK General Data Protection Regulation (UK GDPR) govern how personal data is processed, including its collection, storage, use, and disclosure.
- 17.2. In administering rent charges and delivering homelessness and housing services, the Council must collect and process certain personal data about service users in order to fulfil its statutory duties and conduct its day-to-day business.
- 17.3. Further information on how the Council processes and protects personal data is set out in the following documents:
 - **Data Protection Policy** – which explains how the Council safeguards personal data, including special category data and data relating to criminal convictions; and
 - **Homelessness Service Privacy Notice** – which explains how and why personal information is collected and used for the administration of these services.

Download [General Data Protection Regulation \(GDPR\) guidance | Croydon Council](#)

18. Monitoring and Review

- 18.1. This policy will be reviewed every 2 years or earlier to address legislative, regulatory, best practice or operational issues.

19. Document Control

- 19.1. This is a controlled document and should not be changed unless by authorisation of the policy owner.

Monitoring	
Approved by Cabinet:	25 th June 2026
Next Review Date:	June 2028
Effective date:	1 st July 2026

Consultation Review		
Policy owner:	Director of Homelessness Prevention and Accommodation	
Ratified by:	Cabinet	
Equality impact assessment:	The impact of this policy will be measured as it is implemented and used as part of a scheduled 1-year implementation compliance review.	
Version Control		
Version Number	Summary of change	Author and Approver
1.0	New Policy drafted	Developed and reviewed by subject matter experts and Housing.