

SUBJECT: LEASE APPROVAL FOR ONE NATIONAL LEASING SCHEME PROPERTY- 43 Maple Avenue, Chepstow
MEETING: COMMUNITIES & PLACE DMT
DATE: 12TH JUNE 2023
DIVISION/WARDS AFFECTED: ALL

1. RECOMMENDATIONS:

1.1 To agree to sign up to a lease agreement as follows for homelessness households :-

- 20 year lease at 43 Maple Avenue, Bulwark, Chepstow NP16 5RG- £778.87 per month. Agreement enables the owner to access the Welsh Government Leasing Scheme Wales initiative (aimed at improving access to longer term affordable and good quality housing in the private rented sector) and the associated package of financial benefits.

This property will enable the Council to provide a 4 bedroom property to homeless households.

2. RESOURCE IMPLICATIONS:

2.1 The estimated net cost of the proposed lease is listed in the below tables :-

Property		Total
No. of Beds	4	
Lease Term (Years)	20	
Weekly Rental	179.74	
Weekly DWP Rate	179.74	
Total Rental	9,346.48	9,346.48
Total Voids	1,437.92	1,437.92
Total Arrears	1,437.92	1,437.92
Maintenance	1,200.00	1,200.00
Service Charge		
Total Exp		13,422.32

DWP Income	-9,346.48	-9,346.48
		0.00
Total Income		-9,346.48
Net Cost		4,075.84

<u>B&B</u>		Total
<u>Comparison</u>		
Weekly Rental	770.00	
Weekly DWP Rate	95.77	
Total Rental	40,040.00	40,040.00
Maintenance	1,200.00	1,200.00
DWP Income	-4,980.04	-4,980.04
Net Cost		36,259.96
Cost Avoidance		32,184.12

2.2 The additional unit will have the following impact on the Council's accommodation base:-

- Increase of move on accommodation for homeless households by a 4 bedroom property. The property will be taken on as part of the 'Leasing Scheme Cymru' (LSC) and therefore the rent for the property will be set at the Local Housing Allowance and will not require a top up. The property requires renovation and so the landlord has applied for the £20,000 grant for repairs and £5,000 for work to improve the EPC- both are covered by Welsh Government under LSC in exchange for a 20 year lease. Similarly maintenance and voids will be covered by the Welsh Government LSC budget¹ for Monmouthshire. Due to current demand for homeless services, and loss of accommodation elsewhere, it cannot be said with any certainty that the number of households in B&B will reduce by the unit being acquired. The property will, however, mitigate against the use of B&B and contributes towards a reduced use.

2.3 On becoming available, the priority will be to allocate the property intended for homeless use to households currently residing in B & B, thereby reducing the use of B & B. The properties will typically and wherever possible, be offered to applicants who have been

¹ Welsh Government will cover rent loss up to £685 per property per annum, and will cover maintenance/repair costs up to £1225 per property per annum.

residing in B & B the longest, but other housing need factors will also need to be taken into consideration on a property by property basis, such as the immediate needs of other homeless households (for example, serious health/medical conditions or safeguarding issues) needing temporary accommodation and type, size and location of the accommodation available. Homeless households will normally be able to remain in the accommodation until permanent social housing becomes available and a successful bid has been accepted.

- 2.4 The property will contribute to the respective targets of increasing the private leasing stock by 10% (by 15 from 154 to 169) and also the target to reduce B & B use by 10 % (by 8 units/households from 86 to 78). Securing this property will help the Council to achieve its target set by Welsh Government.
- 2.5 The adoption of this recommendation is cost neutral² and could produce a core budget saving as it will help reduce the current pressure the authority faces with the cost of Homelessness provision. The uplift in accommodation base will avoid a cost of £32,184.12 when compared with B&B.
- 2.6 In addition, the adoption of the recommendation may also not immediately result in a direct and immediate reduction in the use of B & B due to the following:
- a possible suppressed and hidden homeless need that is believed to exist in the County, which can't be evidenced,
 - because of a current number of households who are known to possibly need temporary accommodation in the near future (there are currently 22 households that may need homeless accommodation shortly)
 - even if a vacancy in temporary accommodation exists, it may not be suitable for an individual household due to specific needs and requirements, which could relate to household size, disability or location – perhaps, for example to mitigate against a threat of violence or safeguarding and
 - 'whole system variables' that are out of the control of the Council such as an increase in homeless demand (eg unexpected spikes in demand) that can't be prevented and/or a reduction in social housing properties becoming vacant impacting upon move-on from homeless.
- 2.7 Making a decision on these properties needs to be taken in the context of a number of on-going risks that could impact on future resource implications for the Council. These include:
- Both homeless and Ukrainian related demand can vary in terms of both the numbers of households and the type of households which may impact on B & B use. The Council is trying to mitigate against this by seeking to identify early homeless intervention opportunities;

² If costs remain in the tolerance set by Welsh Government as set in 1.

- The current cost of living crisis, whilst not directly having impacting on accommodation provision as yet, could result in an increase in homeless presentations relating to rent or mortgage arrears.
- The Council is seeing an increase in private rented landlords leaving the sector due to market and regulatory conditions. This will potentially impact on both presentations and loss of Monmouthshire Lettings temporary accommodation provision. Landlords not wanting to accommodate homeless households is an on-going challenge.
- Settled and permanent accommodation vacancies can vary in availability relating to existing tenants needing or wanting to move on and having the options available to facilitate moving.
- New and additional permanent social housing, supported housing and temporary accommodation delivery is being impacted by a number of issues that are presenting challenges to the Council which although expected to continue, overcoming or working around is an on-going priority. For example, phosphate related restrictions, revenue and capital availability, grant funding eligibility etc.

3 **AUTHOR:** Rebecca Cresswell, Homelessness Project Officer

4 **CONTACT DETAILS:** Tel: 07815010928 **E-mail:** rebeccacresswell@monmouthshire.gov.uk