

**SUBJECT: LEASE APPROVAL FOR HOMELESS ACCOMMODATION – 7 St Thomas Square Monmouth NP25 5ES**  
**MEETING: COMMUNITIES & PLACE DMT**  
**DATE: 5<sup>TH</sup> FEBRUARY 2024**  
**DIVISION/WARDS AFFECTED: ALL**

## **1. RECOMMENDATIONS:**

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

- 3 year lease at Flat 1 7 St Thomas Square Monmouth NP25 5ES – 1 Bed. Rent £700
- 3 year lease at Flat 2 7 St Thomas Square Monmouth NP25 5ES – 1 Bed. Rent £700
- 3 year lease at Flat 3 7 St Thomas Square Monmouth NP25 5ES – 2 Bed. Rent £850

1.2 This property will enable the Council to provide:

- 2 one bed units for single households currently accommodated in B&B.
- 1 two bed unit to accommodate a small family currently in B&B.

1.3 All three households identified as suitable for this property are currently accommodated in B&B. Each household needs to remain in Monmouth for work purposes. Two households are currently over 20<sup>th</sup> on the Homesearch waiting list, one currently placing within the top 10-15. It is anticipated the two one bed single person households to have a significant wait for suitable settled accommodation due to the general lack of one bedroomed social housing properties and vacancies.

## **2. RESOURCE IMPLICATIONS:**

2.1 The estimated net cost in taking on this property is listed in the below tables :-

Property	Flat 1	Total	Flat 2	Total	Flat 3	Total
No. of Beds	1		1		2	
Lease Term (Years)	3		3		3	
Weekly Rental	161.54		161.54		196.15	
Weekly DWP Rate	86.19		86.19		109.04	
Total Rental	8,400.08	<b>8,400.08</b>	8,400.08	<b>8,400.08</b>	10,199.80	<b>10,199.80</b>
Total Voids	689.52	<b>689.52</b>	689.52	<b>689.52</b>	872.32	<b>872.32</b>
Total Arrears	689.52	<b>689.52</b>	689.52	<b>689.52</b>	872.32	<b>872.32</b>
Maintenance	1,200.00	<b>1,200.00</b>	1,200.00	<b>1,200.00</b>	1,200.00	<b>1,200.00</b>
Service Charge						
<b>Total Exp</b>		<b>10,979.12</b>		<b>10,979.12</b>		<b>13,144.44</b>
DWP Income	-4,481.88	<b>-4,481.88</b>	-4,481.88	<b>-4,481.88</b>	-5,670.08	<b>-5,670.08</b>
<b>Total Income</b>		<b>-4,481.88</b>		<b>-4,481.88</b>		<b>-5,670.08</b>
<b>Net Cost</b>		<b>6,497.24</b>		<b>6,497.24</b>		<b>7,474.36</b>

<b>B&amp;B Comparison*</b>		Total		Total		Total
Weekly Rental	560.00		560.00		700.00	
Weekly DWP Rate	60.98		76.41		62.60	
Total Rental	29,120.00	<b>29,120.00</b>	29,120.00	<b>29,120.00</b>	36,400.00	<b>36,400.00</b>
Maintenance	1,200.00	<b>1,200.00</b>	1,200.00	<b>1,200.00</b>	1,200.00	<b>1,200.00</b>
DWP Income	-3,170.96	<b>-3,170.96</b>	-3,973.32	<b>-3,973.32</b>	-3,255.20	<b>-3,255.20</b>
<b>Net Cost</b>		<b>27,149.04</b>		<b>26,346.68</b>		<b>34,344.80</b>
<b>Cost Avoidance</b>		<b>20,651.80</b>		<b>19,849.44</b>		<b>26,870.44</b>

\*Assumes an applicant remains in B & B for a complete year without any change in circumstances.

In addition to the above B & B costs, the Council is also currently incurring housing benefit related Penalty Cell subsidy costs because the DWP subsidy cap has been exceeded.

2.2 The lease of this property will have the following impact on the Council's temporary accommodation base:-

- Increasing MCC's portfolio by 2 one bed units and a two bed unit. As all 3 households identified are currently placed in the same B&B, acquiring these properties would allow us to cease use of this B&B.
- The adoption of this recommendation will not produce a core budget saving but it will help reduce the current pressure the Authority faces with the cost of Homelessness provision, particularly in relation to one bed units. The uplift in accommodation base will cost £20,468.84 but there would be cost avoidance of £37,351.04 per annum when compared with continuing to accommodate the households in B&B due to a lack of alternative options.

2.3 The priority will continue to be to allocate these properties intended for homeless use to households currently residing in B & B, thereby reducing the use of B & B. At 29<sup>th</sup> January 2024, there were **50** households in B & B. The property will typically and wherever possible, be offered to applicants who have been 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 normally will be able to remain in the accommodation until permanent social housing becomes available and a successful bid has been accepted.

2.4 In addition, the adoption of the recommendation might not result in a permanent 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,
- 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.

2.5 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.

- 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 and seeking a work around is an on-going priority. For example, phosphate related restrictions, revenue and capital availability, grant funding eligibility etc.

### 3. CONSULTATION QUERIES AND RESPONSES

#### 3.1 Management Accountant Queries with Officer responses:

Query	Response
<p>Support this report. Are you able to confirm that we will be reducing the B&amp;B usage? Can you confirm that the figure of 50 rooms is before or after the taking on of these units?</p>	<p>The 50-room figure is as of the 1<sup>st</sup> February 2024.</p> <p>These properties will take some residents out of B&amp;B and therefore numbers will reduce, but given the nature of the service, temporary accommodation requirements can fluctuate on a daily basis.</p> <p>The current residents are also in B&amp;B accommodation which is not pre-paid and therefore as the rooms are no longer needed, there will be no on-going costs so payments will cease.</p> <p>New properties are due to become available over the coming months so the team are hopeful the current figure of 50 in temporary accommodation will reduce further.</p>

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