

SUBJECT: RENT INCREASE FOR LEASED HOMELESS ACCOMMODATION – 41 Birbeck Road, Caldicot
MEETING: COMMUNITIES & PLACE DMT
DATE:
DIVISION/WARDS AFFECTED: ALL

1. RECOMMENDATIONS:

- 1.1 To agree to a rent increase for the below property which is being used to accommodate homeless households :-
- 41 Birbeck Road, Caldicot, Monmouthshire NP26 4DX, 3 bed property- increase to £800pcm from £750pcm

This property will enable the Council to continue to provide a 3 bed unit of accommodation for homeless households.

2. RESOURCE IMPLICATIONS:

2.1 The estimated change in net cost is listed in the below table :-

Property	Current	Total	Proposed	Total
No. of Beds	3		3	
Lease Term (Years)			3	
Weekly Rental	173.00		184.62	
Weekly DWP Rate	124.61		124.61	
Total Rental	8,996.00		9,600.24	
Total Voids	996.88		996.88	
Total Arrears	996.88		996.88	
Maintenance	1,200.00		1,200.00	
Total Exp		12,189.76		12,794.00
DWP Income	-6,479.72	-6,479.72	-6,479.72	0.00
Total Income		-6,479.72		-6,479.72
Net Cost		5,710.04		6,314.28

<u>B&B Comparison</u>		Total (current)		Total (proposed)
Weekly Rental	630.00		630.00	
Weekly DWP Rate	95.51		95.51	
Total Rental	32,760.00	32,760.00	32,760.00	32,760.00
Maintenance	1,200.00	1,200.00	1,200.00	1,200.00
DWP Income	-4,966.52	-4,966.52	-4,966.52	-4,966.52
Net Cost		28,993.48		28,993.48
Cost Avoidance		23,283.44		22,679.20

2.2 The continued use of the properties will have the following impact on the Council's temporary accommodation base:-

- Maintain homeless accommodation base by a 3 bedroom property, increasing costs by £604.24 on the £5710.04 per year that has been paid up until 2023. If we were to lose this property as a result of not funding the increase the tenants would be placed into B&B accommodation which would cost approx. £28,993.48. Meeting the increase will directly avoid additional households being placed in B&B.

2.3 The priority will continue to be to allocate this property intended for homeless use to households currently residing in B & B, thereby reducing the use of 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.

2.5 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. The uplift in accommodation base will cost £6,314.28 but saves a cost of

£22,679.20 when compared with accommodating in B&B.

2.6 Making a decision on this property 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 impacted 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.

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