

**SUBJECT: RENT INCREASE APPROVAL FOR HOMELESS ACCOMMODATION – Flat 1, Norman Court, Caldicot**  
**MEETING: COMMUNITIES & PLACE DMT**  
**DATE: 15<sup>th</sup> January 2024**  
**DIVISION/WARDS AFFECTED: ALL**

## **1. RECOMMENDATIONS:**

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

- Flat 1, 1 Norman Court – 2 bed flat. Monthly rental £650; was previously £560. Increase of £90 per month/ £1080 per annum.
- Flat 1, 1A Norman Court – 1 bed flat. Monthly rental £590, was previously £500. Increase of £90 per month/1080 per annum.
- Flat 1, 1B Norman Court – 1 bed flat. Monthly rental £590, was previously £500. Increase of £90 per month/1080 per annum.
- Flat 1, 1C Norman Court – 1 bed flat. Monthly rental £590, was previously £500. Increase of £90 per month/1080 per annum.
- Flat 1, 1D Norman Court – 1 bed flat. Monthly rental £590, was previously £500. Increase of £90 per month/1080 per annum.

All five units at Norman Court are currently providing households with temporary accommodation. Three of the five units are providing accommodation to single parent families with a small child, one is occupied by a family and one unit is currently accommodating a household with high support needs that couldn't be managed in a shared environment.

This accommodation is regarded to be of a high standard self-contained accommodation.

If Monmouthshire were not to agree to the rental increases and renew the leases alternative accommodation would need to be sourced for all households in these units, which would have to be B&B. There is not currently an alternative for the household with high support needs.

## **2. RESOURCE IMPLICATIONS:**

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

Table 1: Previous rental agreement

Property	1 Norman Court	Total	1A Norman Court	Total	1B Norman Court	Total	1C Norman Court	Total	1D Norman Court	Total
No. of Beds	2		1		1		1		1	
Lease Term (Years)	3		3		3		3		3	
Weekly Rental	129.23		115.38		115.38		115.38		115.38	
Weekly DWP Rate	109.04		86.19		86.19		86.19		86.19	
<b>Total Rental</b>	6719.96	<b>6719.96</b>	5999.76	<b>5999.76</b>	5999.76	<b>5999.76</b>	5999.76	<b>5999.76</b>	5999.76	<b>5999.76</b>
Total Voids	872.32	<b>872.32</b>	689.52	<b>689.52</b>	689.52	<b>689.52</b>	689.52	<b>689.52</b>	689.52	<b>689.52</b>
Total Arrears	872.32	<b>872.32</b>	689.52	<b>689.52</b>	689.52	<b>689.52</b>	689.52	<b>689.52</b>	689.52	<b>689.52</b>
Maintenance Service Charge	1200.00	<b>1200.00</b>	1200.00	<b>1200.00</b>	1200.00	<b>1200.00</b>	1200.00	<b>1200.00</b>	1200.00	<b>1200.00</b>
<b>Total Exp</b>		<b>9664.60</b>		<b>8578.80</b>		<b>8578.80</b>		<b>8578.80</b>		<b>8578.80</b>
DWP Income	-5670.08	<b>-5670.08</b>	-4481.88	<b>-4481.88</b>	-4481.88	<b>-4481.88</b>	-4481.88	<b>-4481.88</b>	-4481.88	<b>-4481.88</b>
<b>Total Income</b>		<b>-5670.08</b>		<b>-4481.88</b>		<b>-4481.88</b>		<b>-4481.88</b>		<b>-4481.88</b>
<b>Net Cost</b>		<b>3994.52</b>		<b>4096.92</b>		<b>4096.92</b>		<b>4096.92</b>		<b>4096.92</b>

Table 2: Proposed leasing costs

Property	1 Norman Court	Total	1A Norman Court	Total	1B Norman Court	Total	1C Norman Court	Total	1D Norman Court	Total
No. of Beds	2		1		1		1		1	
Lease Term (Years)	3		3		3		3		3	
Weekly Rental	150.00		136.15		136.15		136.15		136.15	
Weekly DWP Rate	109.04		86.19		86.19		86.19		86.19	
<b>Total Rental</b>	7800.00	<b>7800.00</b>	7079.80	<b>7079.80</b>	7079.80	<b>7079.80</b>	7079.80	<b>7079.80</b>	7079.80	<b>7079.80</b>
Total Voids	872.32	<b>872.32</b>	689.52	<b>689.52</b>	689.52	<b>689.52</b>	689.52	<b>689.52</b>	689.52	<b>689.52</b>
Total Arrears	872.32	<b>872.32</b>	689.52	<b>689.52</b>	689.52	<b>689.52</b>	689.52	<b>689.52</b>	689.52	<b>689.52</b>
Maintenance	1200.00	<b>1200.00</b>	1200.00	<b>1200.00</b>	1200.00	<b>1200.00</b>	1200.00	<b>1200.00</b>	1200.00	<b>1200.00</b>
Service Charge										
<b>Total Exp</b>		<b>10744.64</b>		<b>9658.84</b>		<b>9658.84</b>		<b>9658.84</b>		<b>9658.84</b>
DWP Income	-5670.08	<b>-5670.08</b>	-4481.88	<b>4481.88</b>	-4481.88	<b>4481.88</b>	-4481.88	<b>4481.88</b>	-4481.88	<b>4481.88</b>
<b>Total Income</b>		<b>-5670.08</b>		<b>4481.88</b>		<b>4481.88</b>		<b>4481.88</b>		<b>4481.88</b>
<b>Net Cost</b>		<b>5074.56</b>		<b>5176.96</b>		<b>5176.96</b>		<b>5176.96</b>		<b>5176.96</b>

Table 3: Equivalent B&B costs

<b>B&amp;B Comparison</b>	1 Norman Court	Total	1A Norman Court	Total	1B Norman Court	Total	1C Norman Court	Total	1D Norman Court	Total
Weekly Rental	490.00		420.00		420.00		420.00		420.00	
Weekly DWP Rate	95.77		95.77		95.77		95.77		95.77	
Total Rental	25480.00	<b>25480.00</b>	21840.00	<b>21840.00</b>	21840.00	<b>21840.00</b>	21840.00	<b>21840.00</b>	21840.00	<b>21840.00</b>
Maintenance	1200.00	<b>1200.00</b>	1200.00	<b>1200.00</b>	1200.00	<b>1200.00</b>	1200.00	<b>1200.00</b>	1200.00	<b>1200.00</b>
DWP Income	-4980.04	<b>-4980.04</b>	-4980.04	<b>-4980.04</b>	-4980.04	<b>-4980.04</b>	-4980.04	<b>-4980.04</b>	-4980.04	<b>-4980.04</b>
<b>Net Cost</b>		<b>21,699.96</b>		<b>18,059.96</b>		<b>18,059.96</b>		<b>18,059.96</b>		<b>18,059.96</b>
<b>Cost Avoidance</b>		<b>16,625.40</b>		<b>12,883.00</b>		<b>12,883.00</b>		<b>12,883.00</b>		<b>12,883.00</b>

- 2.2 The continued lease of these properties will have the following impact on the Council's temporary accommodation base:-
- Retention of four 1-bedroom units, which MCC has a shortfall of, and a 2-bedroom unit to be used as homeless accommodation. Net costs to the council will increase by £ 5,400.20 p/a to £ 25,782.40, but this will still provide a substantial cost avoidance of £68,157.40 when compared to equivalent B&B use at £ 93,939.80. These units are currently accommodating homeless households who would need to be accommodated elsewhere, which at present would be B&B.
- 2.3 The priority will continue to be to allocate voids in these properties 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 rent increases for these properties will increase costs to £ 25,782.40 but prevents a cost of £ 93,939.80 when compared with accommodating in B&B.
- 2.6 In addition, the adoption of the recommendation might not immediately result in a direct and immediate reduction in the use of B & B due to the following:
- The properties are currently tenanted.
  - 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 (e.g. 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 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 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.

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