

SUBJECT: LEASE APPROVAL FOR HOMELESS ACCOMMODATION – 18 Newport Road, Caldicot
MEETING: COMMUNITIES & PLACE DMT
DATE: 15TH JANUARY 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, 18 Newport Road, NP26 4BQ - Monthly rental £550
- 3-year lease at Flat 2, 18 Newport Road, NP26 4BQ - Monthly rental £750
- 3-year lease at Flat 3, 18 Newport Road, NP26 4BQ - Monthly rental £750

This property will enable the Council to provide:

- A one bed flat for a household due to become homeless shortly and currently waiting for temporary accommodation;
- A two-bedroom flat for a household due to become homeless shortly and currently- waiting for temporary accommodation;
- A two-bedroom flat to provide more suitable accommodation for a household currently accommodated in B&B.

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		2		2	
Lease Term (Years)	3		3		3	
Weekly Rental	126.92		173.08		173.08	
Weekly DWP Rate	86.19		109.04		109.04	
Total Rental	6,600.00	6,600.00	9,000.00	9,000.00	9,000.00	9,000.00

Total Voids	689.52	689.52	872.32	872.32	872.32	872.32
Total Arrears	689.52	689.52	872.32	872.32	872.32	872.32
Maintenance	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00	1,200.00
Service Charge						
Total Exp		9,179.04		11,944.64		11,944.64
DWP Income	-4,481.88	-4,481.88	-5,670.08	-5,670.08	-5,670.08	-5,670.08
Total Income		-4,481.88		-5,670.08		-5,670.08
Net Cost		4,697.16		6,274.56		6,274.56

Average B&B Comparison		Total		Total	B & B 1	
Weekly Rental	420.00		490.00		291.69	
Weekly DWP Rate	95.77		95.77		95.77	
Total Rental	21,840.00	21,840.00	25,480.00	25,480.00	15,167.88	15,167.88
Maintenance	1,200.00	1,200.00	1,200.00	1,200.00	Nil	Nil
DWP Income	-4,980.04	-4,980.04	-4,980.04	-4,980.04	-4980.04	-4980.04
Net Cost		18,059.96		21,699.96		10,187.84
Cost Avoidance		13,362.80		15,425.40		3,913.28

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

- Two of the households (a couple and a couple + one child) identified for these properties are currently on a waiting list of households due to come through as homeless in the New Year. Without expanding the leased accommodation base these households will otherwise need to be accommodated in B&B.
- Although these acquisitions will not facilitate a reduction in B&B use directly, it will save an estimated £28,788.20 by avoiding the use of B&B for two households on who will shortly need temporary accommodation.
- A third household (a single adult and child) is currently accommodated in B&B (referred to as B & B 1 above) which is deemed unsuitable, particularly due to its isolated location away from services and facilities. The Council does not have a pre-payment

arrangement with this establishment and on becoming vacant the charge will cease. (It is possible that a future applicant may need to be accommodated in this premise.

- The cost avoidance of moving the third household from B & B to the leased property will be £3,913.28.
- The proposal supports avoiding placing a child in B & B, enables the Council to move a child out of B & B and being flats above shops, contributes to town centre regeneration in Caldicot.

2.3 The priority will continue to be to allocate these properties intended for homeless use, wherever possible 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 £17,246.28 but there would be total annual cost avoidance of £32,701.48 when compared with having to accommodate two of the households in B&B due to a lack of alternative options.

2.6 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 (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.

2.6 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 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