



Case Study

THE CLIENT

The Women's Refuge (WR) provided support and accommodation for 20 residents & dependents across 4 refuges. The WR charged rents of £100 per rental unit per week funded by Housing Benefit and received Supporting People Grant Income.

Despite working within extremely lean budgets finances were always tight. As a result of this services often suffered and the WR was constantly under operational pressure.

The WR identified that the existing funding was inadequate, especially when threatened with further cuts from Supporting People. Furthermore, the WR believed that it was not possible to increase rents due to constraints under the management agreement with the Registered Social Landlord.

THE PROJECT OBJECTIVES

Following our initial meeting with the WR it was identified that the existing rent was unsustainable and that shortfalls were being met from other income streams, particularly cross funding from Supporting People, and general reserves. Our project brief had the following objectives;

- Establish the actual cost to WR of providing the Supported Accommodation.
- Calculate a reasonable and sustainable rent based on the actual and eligible housing costs.
- Liaise with the RSL to secure their co-operation and support.
- Present the new rents to the Local Authority and ensure their approval and passage into payment.

Case Study

THE PROJECT

The project followed the stages outlined below:

1. An information audit where we collected all relevant financial, operational and housing information.
2. RSL support and co-operation.
3. The analysis of the information and the rental modelling based on the actual and eligible cost of providing housing. The inset below shows an outtake from our model;

Service Charge Rent	Charge Rental Unit Per Week
- Communal furnishings	7.69
- Bedroom Furnishings	3.21
Servicing of fire equip	1.97
Refuse Disposal	0.00
Door Entry & Security Systems	1.66
Communal Heating & Lighting	1.92

4. The model was constructed using Housing Benefit Regulations, together with best practice guidelines and benchmarks we have derived from our sector experience.
5. Using our model we set a range of sustainable rent from £178 to £287 per rental unit per week, representing an increase of circa 78% to 187%.

6. We then presented these rents to the Local Authority who were initially resistant to the substantial increases.
7. After a month of negotiation with the Housing Benefit Department about eligibility and the rationale behind the model the new rents were approved and are now actively in payment.
8. Finally we facilitated a meeting between the WR & their Housing Benefit Department to implement new working practices for the effective and efficient submission of forms and collection of rents.

PROJECT BENEFITS

By undertaking this exercise WR have secured additional income of circa £148,000 p.a. and the housing operation is now self funding. This has been critical considering a 28% cut in Supporting People Grant Income due to the cross funding of the Housing Operation.

WR now have a sustainable income stream and the financial confidence to deliver their services in an efficient and effective manner. This includes the sourcing of an adequate central office, the introduction of pay rises frozen for 3 years and the improvement of accommodation living standards with scheduled repairs and renewals programme.

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