

OFFICER DECISION

Decision: To increase the service charge at James House			
Decision Date: 03.12.25			
Type of Decision: Assistant Director		Non-Key	
Portfolio Area that decision relates to:			
Leader (inc Corporate Services, Policy, Strategy & Partnerships)		Environment and Climate Emergency	
Economy & Transport		Finance, Performance, Major Projects & Equalities	
Children, Young People and Education		Children, Young People & Education	
Health, Wellbeing and Adults Social Care		Housing, Planning & Safer Communities	X
Background / Decision Summary:			
<ol style="list-style-type: none"> 1. The temporary accommodation service provides temporary accommodation and support to homeless people under the Homeless Reduction Act 2017. The majority of accommodation is provided in 57 self-contained flats at James House. There is a team of 6.8 FTE support workers and 1 supervisor providing on site support 8:30-20:00 every day, and an over-night security officer ensuring safety on site. 2. Each customer has an allocated key worker who provides support, and a separate meeting room and kitchen space is available to run group sessions for customers. 3. In practice since James House opened it has not been possible to run regular group sessions for customers due to the responsibilities of staff to deliver planned and reactive support and tenancy management, staff the reception desk, respond to building issues, provide shift cover, and liaise with colleagues in other services regarding customer issues. In customer consultation sessions and on feedback forms customers have requested group sessions giving various examples of what this could include. Resettlement hostels including Howe Hill and Peaseholme employ a specific staff member to run group sessions to help prepare customers for a tenancy. 4. As temporary accommodation is provided through a statutory duty the timeline for move-on is determined by the decision issued through the housing options process, and is a statutory decision rather than based on an assessment of the customer's skill set. Feedback from the housing management team has shown that in spite of keywork support sessions not all customers appear to be tenancy ready when they leave temporary accommodation. Providing targeted and appropriate support to customers 			

through group sessions while they are in temporary accommodation is particularly helpful in preparing customers for a tenancy.

5. The ongoing cost of living crisis and reduction in YFAS (York Financial Assistance Scheme) grants means many customers leave temporary accommodation in a position where it is extremely challenging to meet the financial commitments of their new tenancy, and this is contributing to arrears and tenancy breaches. Wider factors of the financial crisis are beyond local control, however providing further support through group sessions will help customers to prepare for their tenancy and to access all the support available to help them furnish it. Sessions would include all aspects of living as a responsible tenant, as well as broader topics affecting resilience and wellbeing such as substance use, accessing community facilities and services, building peer support, healthy relationships etc.
6. A case was made and approved to fund a 1 year post at James House, and in January 2025 a 'Tenancy Sustainment Coach' was recruited, this post became vacant on July 2025 and was re-recruited to in September 2025, it is fixed term until 31.03.26. This post is in line with the Homelessness and Rough Sleeper Strategy 2024-29 which aims to make homelessness rare, brief and non-recurring. Comprehensive coaching and support for customers in how to maintain a tenancy and to develop their resilience on living in the wider community is a crucial factor in preventing recurrence of homelessness. This links in particular to theme 4 around Homeless Prevention and Tenancy Sustainment.
7. The post holder is running a range to sessions for tenants in temporary accommodation. They have begun engagement across Traveller sites, although the process is slower due to building community trust and a lack of community hub space on 2 of the sites. Sessions include:
 - Introduction to James House
 - Preparing for your next steps
 - Bills utilities and council tax
 - Benefits and universal credit
 - Employability and skills for work
 - Health, wellbeing and community support
 - Living well in your home
 - Understanding your tenancy
 - Money management and budgeting
 - 121 enrichment/coaching sessions, this is in addition to keyworker support.
 - Arranging women's sessions through Kyra.
 - Organising Christmas gifts for all children in temporary accommodation through charity donations.
8. There is ongoing scope to expand the offer with more peer support and informal/confidence building sessions as the service continues to develop, however the feedback from residents so far is very positive.

9. The post of tenancy sustainment coach is a grade 7, there is no existing budget to cover the further extension of this role within the service budget however it would be possible to fully fund this role from the service charge paid by customers at James house through an increase to the management charge.
10. The current management charge is £24.56 and covers part of the management and support costs for the hostel, this is fully covered by housing benefit for those that are eligible. The proposed increase would bring the total management charge to £38.84 p/w which would be fully eligible for housing benefit, a £14.28 p/w increase for each flat. In addition it is proposed that cleaning charges are increased, this is covered under a separate report 'Cleaning in temporary accommodation.
11. In addition to the rent and management charge residents pay a service charge, this includes the cost of utilities to their flat which is not benefit eligible, and the costs of cleaning, renewals (decorating etc) and council tax which are benefit eligible. Some utility charges are set to reduce in 2026-7, which will partially off-set the increase in cleaning and management charges.

size	Weekly increase in 2026-7
studio	£11.93
1 bed	£16.68
2 bed	£22.31
3 bed	£26.05
Larger 3 bed	£30.77

12. Customers who are self-payers will still be paying a lower total amount including utilities, CTAX, cleaning and support than they would if they were in the private rented sector at market rent in York, and the amended charge will only be applied to new rather than existing tenancies (see below).
13. Customers who are on housing benefit will not be financially affected by the change in management charge as this is eligible for housing benefit, but will see a reduction in their non-eligible charge for utilities. A snapshot in September 2025 shows 3 households who are self-payers and 54 on housing benefit, or 5% self-payers and 95% on housing benefit.
14. The rent standard 2023 sets out that “Where affordable rent is being charged, the maximum rent inclusive of service charge for a new tenant under a new tenancy is 80% of the market rent⁶ for the tenant’s accommodation”¹
15. It is challenging to compare to market rates, as there is not directly comparable housing available in York. The flats are fully self-contained with

¹ <https://www.gov.uk/government/publications/rent-standard-1-april-2023-31-march-2024> and <https://www.gov.uk/government/publications/rent-standard-2020>

no shared facilities, whereas resettlement homeless provision offers individual rooms with shared facilities, or studio flats at Robinson Court. Like homeless resettlement provision James House offers 24/7 management and support on site, and utilities and council tax are included in the weekly charge. No comparable accommodation has been found in the private rented sector. So far comparable self-contained temporary accommodation has not been found in other local authority areas. It appears that some other areas are in the process of developing similar accommodation so comparisons may be available in future.

16. The rent policy statement sets out that *“3.12 Housing for vulnerable and older people often includes a range of services to support the particular needs of the client group. When setting an affordable rent level for housing for vulnerable and older people, the gross market rent comparables should be based on similar types and models of service provision, ideally within the local area. Where there are insufficient comparables for similar types of provision in the local area, valuers should be asked to identify comparables from other areas and extrapolate their best estimate of what the gross market rent would be.”*²
17. In order to benchmark the provision at James House against other comparable provision two separate methodologies have been followed. In the first methodology the total charge for a 1 person flat has been compared with the cost of other homeless provision in York. In the second Methodology the total charge for all flat sizes is compared with the private rented sector. In order to make this a like-for-like comparison benchmark assumptions have been used for the cost of utilities, council tax and support.
18. **Methodology one:** The total rent and service charge current and proposed for James house is compared below with other local homeless services

	Rent plus service charge 2025-6	Proposed Rent plus service charge for 2026-7	Robinson Court Rent plus service charge 2026-7	Howe Hill Rent plus service charge 2026-7	Union terrace Rent plus service charge 2026-7
One bed single/studio	£247.06	£254.88	£489.60	£324.61	£564.08
One bed double	£252.48	£247.06	£489.60	n/a	n/a
2 bed	£320.34	£328.37	n/a	n/a	n/a
3 bed	£376.29	£381.16-391.31	n/a	n/a	n/a

19. The nearest local comparison is to Robinson court which offers self-contained studio accommodation with support on site for homeless individuals. The proposed total charge for a 1 bed single occupancy flat is 53% of the rent for a studio in Robinson Court. No direct comparison is available for 2 and 3 bed

flats, or for the larger 1 bed flats, however the proposed charge for a large 3 bedroom family flat at James House is 80% of the charge for a single person studio at Robinson Court.

20. **Methodology two:** Basic rent in the private rented sector cannot be considered a market rate comparator to the provision at James House, as the on-site support is not provided and utility costs not included in the weekly charge. The table below shows average market rents for York³ with average costs for utilities⁴ and council tax, support has been calculated at a very conservative cost of £15 per hour and 6.5 hours⁵ per household per week.

	Average private rent levels in York	gas/ electric	water	CTAX	hourly support charge	weekly support charge	total	James house total 2026-7	% of private rented sector
studio	£173	29.308	8.0769	23.07	15	78.442	£324	£254.88	71.4
1 bed	£196	29.308	8.0769	23.07	15	78.442	£347	£247.06	72.2
2 bed	£254	41.538	14.077	32.29	15	78.442	£432	£328.37	74.4
3 bed	£323.08	53.769	15	36.9	15	78.442	£519.19	£381.16-391.31	63.1

21. Given the best available comparisons for the market the proposed rent and service charge for James House is well below 80% of market rent according to either methodology for calculating market rent.
22. The increase in the management charge element of the service charge is eligible for housing benefit and the majority of tenants are in receipt of housing benefit, therefore the proposed increase will not cause financial hardship to tenants.
23. The rent standard 2020⁶ that is applicable to supported housing (including homeless hostels) includes a requirement that:
“3.14 The rent of an existing affordable rent tenant (including where they have a new tenancy) may not be increased by more than CPI +1% in any year, subject to 3.2 above. ‘Existing tenant’ in this context means an existing tenant of the specific property concerned. For the avoidance of doubt, the revised rent on re-letting to an existing tenant may only be re-based to 80% of current market value where the resulting rent would be no more than the rent arrived at by a CPI+1% increase.”
24. Initial legal advice suggests that the customers at James House would be regarded as tenants, although they are on license agreements rather than tenancy agreements. As such the most appropriate approach to implementation would be to apply the uplift to new tenancies only. The average length of stay at James House is 12 weeks, although a handful are

³ Provided by property services

⁴ Provided by housing options

⁵ Weekly staff hours on site / 57 households.

⁶ <https://www.gov.uk/government/publications/direction-on-the-rent-standard-from-1-april-2020/policy-statement-on-rents-for-social-housing#chapter-3-affordable-rent>

significantly longer depending on complexity. Implementing the new charge for new customers only will also help to prevent any distress or financial hardship for existing customers.

25. Grant funds are provided through central government to help support the provision of homeless services, including the Homeless prevention Grant (HPG) and Rough Sleeper Grant (RSG). Annual grant provision can vary and is not known in advance, and customer need can fluctuate making it important that funds are always available to react quickly and effectively to new challenges. The restructure of resettlement services is anticipated to make significant use of the HPG and RSG and whilst it may be possible to fund this role in the short term through use of grant funding in the longer term it is important to find a sustainable funding stream. An increase to the management charge at James House is considered to be a fair and proportionate way to achieve this in light of the affordability considerations above.

Options Considered:

- 1) To make the tenancy sustainment coach a permanent role funded through an increased management charge to tenants.**
- 2) To end the tenancy sustainment coach at the end of the current 12 months funding (end March 2026)**
- 3) To make the tenancy sustainment coach a permanent role funded through alternative sources.**

Options Rejected:

- 2) To end the tenancy sustainment coach at the end of the current 12 months funding (February 2026)**

This option is rejected due to the recognised value of structured group sessions for customers in homeless services, and the challenges facing customers who move on to a permanent tenancy. In the short time the role was in place it delivered valuable sessions to customers with excellent feedback. In addition, housing management team have consistently fed back on the need for customers leaving homeless services to have as much support and coaching as possible on how to sustain a tenancy and how to be a good tenant and neighbour. This will reduce the officer time required to support tenants who are struggling to maintain a tenancy, and reduce the likelihood of recurrent homelessness.

- 3) To make the tenancy sustainment coach a permanent role funded through alternative sources.**

The other funding sources for temporary accommodation are the General Fund and Housing Revenue Account, both of which are under significant pressure due to the ongoing financial pressure on the local authority. Funding this role through either of these budgets would necessitate a cut to another service area, and no areas have

been identified where cuts could be made without adverse effects on vulnerable customers and vital services.

There is a homeless prevention grant provided through central government which could be used on a temporary basis to fund an extension of this service provision. However this is a less predictable source of revenue as it may be subject to change year on year. This budget is also being used to fund other parts of the homeless provision, including the costs associated with restructuring the resettlement service. As this service would be delivered to customers living in temporary accommodation it is most appropriate and sustainable that it is funded through a management charge to customers.

Consultation Process:

Customer feedback was gathered during a consultation session in 2022 where a number of customers expressed a wish for group sessions. Regular customer feedback is now gathered for the service and a wish for group sessions has been raised a number of times. Since sessions have been running customers have given very positive feedback about the value of these sessions.

The housing management team (manager and team leaders) have given feedback on a number of occasions that customers would benefit from more support in temporary accommodation to help build their skills and resilience to manage a tenancy, budgeting and neighbour relations when they move on to permanent accommodation.

The Service Manager Housing Options and Support Team, Resettlement Service has confirmed that the embedding of this post as a permanent role would be a valued addition to the service, and in line with the Homelessness and Rough Sleeping Strategy 2024-29.

Implications

Crime & Disorder		Equalities		Highways	
Human Resources	X	Legal		ICT	
Financial	X	Affordability		Property	
Climate Change		Health		Other	
Environment		Human Rights			

Implications Contact:

Finance: Graham
Frodsham

Human Resources: Joel
Johnson

Level of Risk: Low

Wards Affected:

All Wards		Fishergate		Holgate		Rural West York	
Acomb		Fulford & Heslington		Hull Road		Strensall	

Bishopthorpe		Guildhall	x	Huntington & New Earswick		Westfield	
Clifton		Haxby & Wigginton		Micklegate		Wheldrake	
Copmanthorpe		Heworth		Osbalwick & Derwent			
Dringhouses & Woodthorpe		Heworth Without		Rawcliffe & Clifton			

Comments/Observations:

Decision: Approved

Decision Made by: Katherine Proctor

Contact Details: Katherine.proctor@york.gov.uk

On behalf of: Louise Waltham

To be implemented by:
Louise Waltham 05.05.2026

On Completion – Signed off by:

Date: 5 . 5 . 2 6

A handwritten signature in black ink, appearing to be 'K Proctor', written over a horizontal line.