

The table below shows the average weekly cost of hotel/B&B accommodation for 3 different unit types, along with the proposed charge from Together Housing for the same type. There is a maximum Housing Benefit Subsidy amount Pendle is able to claim for each unit type. This rate is netted off the costs shown.

WEEKLY ACCOMODATION COST COMPARISON

Per Week	1 Bed	2 Bed	3 Bed
Hotel / Bed & Breakfast	490.00	500.00	630.00
HB Subsidy Claim	-72.69	-77.89	-95.02
Net Cost to Council	417.31	422.11	534.98
Per Week	1 Bed	2 Bed	3 Bed
Together Housing Rent	95.00	119.00	135.00
HB Subsidy Claim	-72.69	-77.89	-95.02
Net Cost to Council	22.31	41.11	39.98

These net costs are used below to estimate the total comparable costs for each type of accommodation for a annual period. Included here is a vacancy rate on hotel/B&B stays of 50%, this is the largest variable in the figures. Also included are lease set-up costs, repairs & maintenance estimates and a contingency amount for each unit within the lease option with Together Housing.

ANNUAL COST COMPARISON		1 Bed	2 Bed	3 Bed	TOTAL COST
Suggested No Properties		6	1	1	
Hotel / Bed & Breakfast	<u>Full 52 Weeks</u>				
(Net Cost to Council)		130,200.00	21,950.00	27,820.00	179,970.00
Less Vacant Periods(@50%)		-65,100.00	-10,975.00	-13,910.00	-89,985.00
Cost to Council		65,100.00	10,975.00	13,910.00	89,985.00
Together Housing Rent					
(Net Cost to Council)		6,960.00	2,140.00	2,080.00	11,180.00
Plus Repairs		12,000.00	2,000.00	2,000.00	16,000.00
Tenancy at Will/Lease Set-up Costs		3,300.00	550.00	550.00	4,400.00
Contingency		6,000.00	1,000.00	1,000.00	8,000.00
Cost to Council		28,260.00	5,690.00	5,630.00	39,580.00
Potential Annual Saving		36,840.00	5,285.00	8,280.00	50,405.00
Potential Annual Saving Per Unit		6,140.00	5,285.00	8,280.00	