

BOROUGH OF COWBRIDGE.

Accountant's Report in relation to Rents for Council Houses in the
Course of erection.

In giving consideration to rent charges for the new houses now in course of erection on the Limes site, the Council cannot disregard the special problem which emerges out of the partial development of the site. Originally, the Council had in mind the erection of thirty-six houses and land has been acquired and works on roads and sewers let in anticipation of the plan as first proposed being allowed to proceed. This programme was conceived without regard to post-war difficulties involving grave shortages in both labour and materials and when the effect of these were felt, the Department would only consent to piecemeal development permitting plans to go forward for the erection of ten houses only. Apart from the capital costs involved in actual building, the Council has now to consider ways and means of covering Loan Charges and other revenue expenses in respect of the land, and roads and sewer works for the undeveloped part of the site.

Having regard to the limited resources of the Borough members will doubtless come to the conclusion that the Council cannot really afford to subsidise the Housing Service beyond what it is called upon to do by Statute. And so, revenue charges arising out of the site, and land works which would in normal circumstances be spread over thirty-six houses will now fall to be equated over ten houses only, resulting in a rent which might well be regarded as prohibitive.

One very expensive factor in the capital cost is the provision of temporary sewerage works. The outlay here is estimated at £3,000 and the resulting loan charges, translated into terms of weekly rent, means 6/- per week when spread over ten houses and 1/8 per week when development of the original plan is completed, viz:- thirty-six houses. If and when embracing sewerage scheme for the town of Cowbridge is embarked upon, these works will become redundant, but loan charges on the provision of temporary sewerage of £3,000 will still have to be met and tenants of these houses will be called upon to meet a double charge for sewerage, the 1/8 referred to above in their weekly rent and their contribution in the General Rate towards the expenses of the larger scheme. Were there to be some guarantee that the sewerage scheme for the Borough generally, could be expected within a reasonable period of time, the Council would do well to consider whether some cheaper form of drainage for these houses could be made available meanwhile.

It would do no harm if the attention of the Welsh Board of Health was drawn to the excessive rent burden which tenants will be called upon to meet as a result of:-

- (a) The enforced limitation of the Council's original building scheme; and
- (b) The Department's insistence on the provision of temporary sewerage facilities.

Confronted with these arguments the Board might well concede permission to the Council to proceed with the development of the remainder of the site. It might also influence the Department in its attitude in the question of temporary sewerage facilities.

The following computations have been based upon estimated capital costs and no account has been taken of any possible claim on the part of the Contractors for excess costs, under the fluctuation clause in the Contract.

<u>BUILDINGS.</u>	£	Cost per House Equated over 10. £	£	Cost per House Equated over 36. £
Contractor's Tender.				
Architect Fee ^{11950.} <u>197.</u>	12147.	1215.		1215.
<u>ROADS.</u>				
Contractor's Tender.				
Architect's Fees ^{1909.} Legal Costs. <u>20.</u>	1960.	196		54.
<u>SEWERS.</u>				
Contractor's Tender				
Architect's Fees ^{774.} Legal Costs. <u>10.</u>	800.	80.		22.
<u>LAND.</u>				
Temporary Sewerage	1080. 3000.	108. 300.		30. 83.
	<u>18987.</u>	<u>1899.</u>		<u>1404.</u>

Rent computations based on the foregoing figures of Capital cost work out as follows:-

<u>Houses for General Needs and Attracting lower Rates of Exchequer Subsidy.</u>	<u>Revenue Charges per house based on development limited to 10 houses.</u>	<u>Revenue charge assuming full development.</u>
Loan Charges.	80.	53.
Repairs Fund.	6.	6.
Management Expenses.	<u>2.</u>	<u>2.</u>
	88.	61.
Less. Exchequer Grant. £16.10.		
Rate Fund Contribution	5.10.	22.
	<u>22.</u>	<u>22.</u>
Balance to be met by Rent.	66.	39.
Equivalent to a weekly charge of	<u>2574.</u>	<u>157-.</u>

Houses for Agricultural Workers
attracting High Grant Aid.

Annual Loan Charges & Other Expenses.	As above	88.	61.
Less. Exchequer Subsidy.	£25. 10.		
Borough Rate Contribution.	1. 10.		
County Council Do.	1. 10.	28. 10.	28. 10.
		<u>£59. 10.</u>	<u>£32. 10.</u>
Equivalent to a weekly charge of		22/10.	12/6.

The rent charges when development is complete of 12/6 for the agricultural worker and 15/- for the ordinary tenant respectively are not unreasonable having regard to the high level of the capital incurred but even so, there is a very wide margin between these and the rents now charged for the Broadway Houses, viz:- 6/8 for non-parlour and 8/5 for the parlour type. Having regard to this wide disparity in rent charges, the Council might consider some modified form of pooling. Indeed, this can hardly be avoided if the rents of the ten houses, now in the course of erection are to be brought within a reasonable compass; 25/4 exclusive of rates is very high rent indeed for the type of tenant which the Council proposes to house.

Pending completion of the building programme, it is suggested that the rents at Broadway be advanced from 8/5 and 6/8 for non-parlour and parlour to 13/- and 10/6 respectively. This would afford a surplus sufficiently large to reduce the rent of the ten new houses to 19/- per week for general needs and 16/- for the agricultural worker.

A complete pooling scheme embracing the twelve houses at Broadway and the ten new houses would call for uniform rents of 12/6 and 15/-. Such a scheme would appear to weigh too heavily against the Council's existing tenants at Broadway who would then be faced with a weekly advance in rent exclusive of rates of 5/10 and 6/7 for non-parlour and parlour houses respectively.

(SIGNED) D. C. HOPKINS.

14th May, 1948.