# Newport council approves El Gordo’s hostel to tackle record homelessness rise



The Newport City Council has recently approved an application to expand the use of a former pub, El Gordo’s, into a hostel, a move that has sparked both hope and concern within the local community. The development, led by Midpoint Homes and its director, Mr King, aims to repurpose the dilapidated building into a facility that provides essential services for individuals experiencing homelessness. Under the new plan, all 21 rooms in the hostel will include communal areas and kitchens, which, according to Mr King, will offer “a much more comfortable life for those that have, through no fault of their own, fallen into homelessness.”

This initiative comes at a critical time as Newport faces an unprecedented homelessness crisis, with the city recording the highest rates in Wales. Official reports indicate that as of 2023-24, there were 6,447 households in temporary accommodation across Wales, marking an 18% increase from the previous year. Specifically, Newport's situation is dire, with a record high of 1,359 homeless households, a staggering increase of over 50%. The financial burden placed on the council is significant; recent statistics reveal that 594 households in temporary accommodation cost the council £6.5 million as of September 2024, a rise of £1.4 million from the previous year.

Amid the societal challenges, Mr King has sought to address concerns stemming from social media speculation regarding the clientele of the new hostel. He emphasised the positive impact that the facility would have on local residents, stating, “This is positive for our community. I must stress that it will serve local people. Homelessness affects a lot of people here.” The developer further expressed disappointment over the cynicism directed at him, clarifying his commitment to the community by stating, “My family is Welsh and I live here.”

In light of the rising demand for housing, Newport has become a focal point for housing policy discussions. While initiatives like the Help to Buy Wales scheme have drawn first-time buyers and those relocating from nearby Bristol, the sudden influx has exacerbated the housing shortage. The council is grappling with a waiting list of around 9,000 people seeking social housing as of 2022. Furthermore, the cost-of-living crisis has intensified this struggle, pushing more individuals into precarious living situations.

The pressing nature of Newport’s homelessness issue was underscored by high-profile visits from figures such as Prince William and Geri Halliwell to local charitable organisations, which have brought national attention to the plight of vulnerable residents. With at least 35 rough sleepers recorded in November 2023 alone, Newport's challenges are increasingly visible. As Mr King and his team move forward with the hostel project, they hope to build “strong, respectful relationships” within the community and provide a critical safety net for those in need.

Overall, the successful application to convert El Gordo’s into a hostel is a significant step towards addressing the homelessness crisis that has reached alarming levels in Newport, a city struggling with the dual pressures of increased housing demand and social welfare challenges.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.southwalesargus.co.uk/news/25208882.developer-behind-el-gordos-hostel-scheme-speaks/?ref=rss), [[4]](https://news.wales/south/newport-council/newport-city-council-struggles-to-provide-adequate-emergency-accommodation-for-homeless-2024-01-42455.html)
* Paragraph 2 – [[1]](https://www.southwalesargus.co.uk/news/25208882.developer-behind-el-gordos-hostel-scheme-speaks/?ref=rss), [[2]](https://www.bbc.com/news/articles/cm27e2gn515o), [[5]](https://www.herald.wales/south-wales/newport/unprecedented-demand-for-emergency-homelessness-support-in-newport/)
* Paragraph 3 – [[3]](https://www.walesonline.co.uk/news/wales-news/newport-city-thats-always-threatening-28681980), [[6]](https://amazinggracespaces.org/worrying-surge-in-the-number-of-homeless-people-in-wales-with-one-city-seeing-a-50-increase/)
* Paragraph 4 – [[4]](https://news.wales/south/newport-council/newport-city-council-struggles-to-provide-adequate-emergency-accommodation-for-homeless-2024-01-42455.html), [[5]](https://www.herald.wales/south-wales/newport/unprecedented-demand-for-emergency-homelessness-support-in-newport/)
* Paragraph 5 – [[2]](https://www.bbc.com/news/articles/cm27e2gn515o), [[6]](https://amazinggracespaces.org/worrying-surge-in-the-number-of-homeless-people-in-wales-with-one-city-seeing-a-50-increase/)

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.southwalesargus.co.uk/news/25208882.developer-behind-el-gordos-hostel-scheme-speaks/?ref=rss> - Please view link - unable to able to access data
2. <https://www.bbc.com/news/articles/cm27e2gn515o> - Homelessness in Wales has reached record levels, with 6,447 households in temporary accommodation in 2023-24, an 18% increase from the previous year. Newport, the fastest-growing city in Wales, has the highest homeless rate, rising by over 50% to a record 1,359 households. The cost of temporary accommodation in Newport has also increased, with 594 households in such accommodation costing the council £6.5 million in September 2024, up £1.4 million from the previous year. Housing advice and prevention officers face daily challenges due to high demand and limited resources.
3. <https://www.walesonline.co.uk/news/wales-news/newport-city-thats-always-threatening-28681980> - Newport, Wales, has experienced a significant rise in demand for housing, with the Help to Buy Wales scheme contributing to increased interest from first-time buyers and those relocating from Bristol. However, the city has also faced challenges with homelessness, with 35 rough sleepers recorded in November 2023, the second-highest in Wales. The council has been dealing with unprecedented demand for both temporary and long-term housing, with around 9,000 people on the waiting list for social housing as of 2022.
4. <https://news.wales/south/newport-council/newport-city-council-struggles-to-provide-adequate-emergency-accommodation-for-homeless-2024-01-42455.html> - Newport City Council is under severe pressure to fund homelessness services due to high demand. The council has overspent by over £2 million against its housing and communities budget, primarily because of homelessness provision. The cost-of-living crisis has pushed more people closer to poverty and at risk of losing their homes. The council is reliant on expensive forms of temporary accommodation, such as bed and breakfasts and high street hotels, with a nightly stay costing £65, equivalent to around £23,000 a year.
5. <https://www.herald.wales/south-wales/newport/unprecedented-demand-for-emergency-homelessness-support-in-newport/> - Newport City Council is facing unprecedented demand for emergency homelessness support, with the council's ability to fund homelessness services under severe pressure due to high demand. The council has overspent by over £2 million against its housing and communities budget, primarily because of homelessness provision. The cost-of-living crisis has pushed more people closer to poverty and at risk of losing their homes. The council is reliant on expensive forms of temporary accommodation, such as bed and breakfasts and high street hotels, with a nightly stay costing £65, equivalent to around £23,000 a year.
6. <https://amazinggracespaces.org/worrying-surge-in-the-number-of-homeless-people-in-wales-with-one-city-seeing-a-50-increase/> - Homelessness in Wales is growing, with Newport seeing the biggest rise. Over the past year, Newport’s homeless rate has increased by over 50%, reaching a record high of 1,359 households. The data comes following the Welsh Government’s latest report on homelessness and housing assistance, which monitors how local authorities support those in need. This highlights worrying trends in homelessness across Wales, noting that the number of households assessed as homeless and owed a duty to help find accommodation has risen by 8% from the previous year to 13,539.
7. <https://www.gov.wales/homelessness-accommodation-provision-and-rough-sleeping-december-2024-html> - As of 31 December 2024, there were an estimated 116 individuals sleeping rough throughout Wales, a decrease from 136 individuals at the same time in 2023. Cardiff (21), Ceredigion (16), Swansea (12), Newport (11), and Bridgend (8) were the local authorities reporting the highest numbers of individuals sleeping rough. All other local authorities reported 7 or fewer individuals sleeping rough, with 3 local authorities reporting zero. These figures are based on local intelligence rather than a one-night count.