

COUNCIL MEETING – 5TH OCTOBER 2023

AGENDA ITEM NO. 5 (1)

**VARIATION TO THE CAPITAL PROGRAMME -
LOCAL AUTHORITY HOUSING FUND – ROUND 2**

A report from the meeting of the Cabinet held on 8th August, 2023

SUMMARY AND BACKGROUND

On 8th August 2023, the Cabinet considered Exempt Report No. ACE2308, setting out proposals for match funding and governance arrangements in relation to the second round of the Local Authority Housing Fund (LAHF).

The Cabinet was advised that for 2023/24, the Department of Levelling Up, Housing and Communities (DLUHC) has made an additional £250 million available to Local Authorities for a second round of the Local Authority Housing Fund (LAHF R2). The majority of the additional funding is intended to be used to house those on Afghan resettlement schemes (ARAP/ACRS) currently in bridging accommodation and the rest used to ease wider homelessness pressures.

In June 2023, the Council was advised by DLUHC that it had been allocated £462,000 under Round 2 of the Local Authority Housing Fund (LAHF) – which followed on from the Council successfully securing Round 1 funding of £836,374 under the Fund.

The Council has committed to acquiring properties under the fund requirements, and there is an expectation for the Council to provide match funding. A solution has now been put together to secure the maximum available funding across both rounds of the fund.

At its meeting on 8th August, the Cabinet:

- Noted the announcement of Local Authority Housing Fund round 2 in June 2023
- Approved the governance arrangements associated with the purchase of individual properties and approved delegated authority for the council to provide grant funding to Rushmoor Homes Limited for the purchase of three properties to be used for the resettlement of Afghan families.

- Noted that details of match funding sources for round 1 & 2 of the Local Authority Housing Fund (LAHF) would be reported once advice had been obtained on the most suitable match funding source for each round.

RECOMMENDATION

The Council is recommended to approve a variation to the Capital Programme to incorporate both Rounds 1 and 2 of the LAHF in the sum of £2,883,089 with £1,298,374 funded from LAHF grant and £1,584,715 from a combination of match funding resources as set out in Paragraph 2.4.

1. INTRODUCTION

- 1.1 In June 2023, the Council was advised by the Department for Levelling Up, Housing and Communities that it had been allocated £462,000 under Round 2 of the Local Authority Housing Fund.
- 1.2 This followed an earlier award from Round 1 of the Local Authority Housing Fund with an allocation of £836,374.

2. BACKGROUND

- 2.1 The Local Authority Housing Fund was established with a view to help with the resettlement of Afghan and Ukrainian households. As part of round 1, the Council has committed to the acquisition of 1 4-bed property that will be used for the resettlement of one Afghan family by the end of November 2023. In addition, a further 5 properties will be made available for Ukrainian households. As in round 2, in the longer term all accommodation will be available to use as temporary accommodation more generally.
- 2.2 Round 2 of the Local Authority Housing Fund comprises two elements. The Resettlement Element is intended to provide housing to accommodate Afghan households who are on the Afghan Citizen Resettlement Scheme (ACRS)/Afghan Relocations and Assistance Policy (ARAP) and who are currently in bridging accommodation or who have left bridging hotels and are homeless, at risk of homelessness, or living in unsuitable TA. The Temporary Accommodation Element of the fund aims to provide accommodation for those owed a homelessness duty by the local authority. Given the purpose of this funding, families are expected to be the primary beneficiaries.
- 2.3 Both Round 1 and 2 grants from government covers 40% of the costs associated with both elements. For each property, there is also a £20,000 payment to the Council to cover fees and costs associated with purchasing the properties and preparing them for occupation. The total amount allocated to Rushmoor is, therefore, £1,286,374.

- 2.4 This requires that match-funding at 60% of the total, excluding the purchase and preparation fees, is put in place to fund the remainder of the acquisition costs. The match funding requirement for Rushmoor is £1,584,715 and is intended to be sourced from a combination of £941,715 from Section 106 Commuted Sums, £243,000 from the Affordable Housing Reserve fund and £400,000 from the Ukraine Fund.
- 2.5 In order to meet the requirements of the scheme, the Council is intending to acquire the two properties under the Resettlement Element of round 2 and hold them along with the one property that is being acquired under the Bridging Element of round 1 as RHL-owned assets. This is because they are for resettlement purposes and, therefore, cannot be let on licences as temporary accommodation. The Afghan households have indefinite leave to remain in the UK; therefore, these homes will be their long-term settled accommodation. RHL will also provide housing and repair management to these properties.

3. **IMPLICATIONS**

Risks

- 3.1 A project team has been set up to progress this work, bringing together officers from the Council's property, finance, housing, policy and community and partnerships teams. A project risk register has been established and is reviewed on a regular basis.

Legal Implications

- 3.2 External legal advice and support has been instructed through Geldards. This will involve carrying out of all relevant due diligence, prior to purchasing any property. Advice will also be sought on the most appropriate form of tenancies for these properties.

Financial and Resource Implications

- 3.3 For Round 1 – Based on the Memorandum of Understanding (MOU) from DLUHC, Rushmoor will receive £836,374 grant funding. This together with the Match Funding of £981,715 intended to be provided from S106 Commuted Sums (581,715) and the Ukraine Fund (£400,000) gives a total of £1,818,089 that was allocated to the Capital Programme in 2023/24 to fund the acquisition of three properties and associated fees.
- 3.4 For Round 2 – Based on the Memorandum of Understanding (MOU) from DLUHC, Rushmoor will receive £462,000 grant funding. This together with the Match Funding of £603,000 intended to be provided from S106 Commuted Sums (360,000) and the Affordable Housing Reserve (£243,000) gives a total of £1,065,000 that can be allocated to the Capital

Programme in 2023/24 to fund the acquisition of three properties and associated fees.

- 3.5 It should be noted that the use of the Affordable Housing Reserve was originally anticipated for Round 1 of the LAHF but this has now been supplemented by using an additional £250k allocated by Hampshire County Council from their Homes for Ukraine Fund to support Round 1 leaving the Affordable Housing Reserve available for Round 2 of this initiative.

Equalities Impact Implications

- 3.6 An Equalities Impact Assessment for the Local Authority Housing Fund has been undertaken. This will be updated once the details of the individual properties are known. Issues such as accessibility to properties will be considered as part of the property search activity.

4. CONCLUSIONS

- 4.1 The Council has been allocated funding under rounds 1 and 2 of the Local Authority Housing Fund to obtain accommodation for households who have arrived in the UK via Ukrainian and Afghan resettlement and relocation schemes. The report sets out details of the funding and match funding sources for both round 1 & 2 of the Fund (as set out in paragraphs 3.3 and 3.4)
- 4.2 The Council is recommended to approve a variation to the Capital Programme to incorporate both Rounds 1 and 2 of the LAHF in the sum of £2,883,089 with £1,298,374 funded from LAHF grant and £1,584,715 from a combination of match funding resources as set out in Paragraph 2.4.

CLLR M.J. TENNANT
MAJOR PROJECTS AND PROPERTY
PORTFOLIO HOLDER