

CABINET

CLLR MARTIN TENNANT
MAJOR PROJECTS AND PROPERTY
PORTFOLIO HOLDER
CLLR SUE CARTER
COMMUNITY PORTFOLIO HOLDER
REPORT NO ACE2405

16 APRIL 2024

KEY DECISION: YES

LOCAL AUTHORITY HOUSING FUND – ROUND 3

SUMMARY AND RECOMMENDATIONS:

The Council has received funding under the Local Authority Housing Fund Round 1 and 2 for the purchase of nine properties for resettlement and temporary homeless accommodation.

In March 2024, the Council was advised it had been allocated £518,000 of capital funding under [Local Authority Housing Fund Round 3](#) (LAHF R3) to provide temporary homeless accommodation and sustainable settled housing to those on Afghan Citizens Resettlement Scheme (ACRS).

An expression of interest has been submitted to purchase property with match funding from unallocated grant funding from the wider Resettlement Programme and Homelessness Prevention Grant.

This proposal will contribute towards the Council's housing and homelessness prevention strategy, support the Government to accommodate Afghan families who assisted UK efforts in Afghanistan, and provide an income stream to the Council.

Cabinet is recommended to:

- a) Agree in principle with the purchase of homes for temporary homelessness accommodation and to accommodate an ACRS household using LAHF R3 funding with match funding from unallocated grant funding from the wider Resettlement Programme and Homelessness Prevention Grant.
- b) Agree to sign the Memorandum of Understanding (MOU) relating to LAHF R3 following the principles set out in this report.
- c) Approve the governance arrangements associated with the purchase of properties (section 3.4 to 3.6).
- d) Agree to provide grant funding to Rushmoor Homes Limited for the purchase of a property to accommodate an ACRS household.
- e) Recommend to Council that the Capital Programme for 2024/25 is increased by £742,000 to be fully funded from a combination of LAHF and Resettlement grants.

1. INTRODUCTION

- 1.1 In March 2024, the Council was advised by the Department for Levelling Up, Housing and Communities (DLUHC) that it had been allocated £518,000 of capital funding under [Local Authority Housing Fund Round 3](#) (LAHF R3).
- 1.2 LAHF R3 has the following objectives:
- To reduce local housing pressures and use of expensive and unsuitable accommodation, by providing better quality temporary accommodation to those owed homelessness duties by local authorities.
 - To reduce temporary accommodation costs.
 - To provide sustainable settled housing to those on Afghan Citizens Resettlement Scheme (ACRS) so that they can build new lives in the UK, find employment and integrate into communities.
 - To support local housing markets by assisting the delivery of new housing stock or new developments to grow overall housing supply.
- 1.3 The intention in the longer term is that LAHF funded properties remain available to meet demand for temporary accommodation more generally. Rushmoor has been asked to make at least one property available under the resettlement element of the scheme and one property available under the temporary accommodation element.
- 1.4 This is a key decision because it is likely to result in the Council incurring expenditure or making savings which are significant in as much as they will have a material effect on the level of council tax or balances or contingencies in relation to the Council's overall budget. In this case, the decision involves the acquisition of property costing over £250,000.

2. BACKGROUND

- 2.1 The Council has bought nine properties under Local Authority Housing Fund Round 1 and 2 (LAHF R1&2) to resettle Afghan and Ukrainian households, as well increase local temporary homeless accommodation. In the longer term all accommodation will be available to use as temporary homeless accommodation. Cabinet considered and delegated authority for these decisions at its meetings on [18 April 2023](#) (Exempt Report No. ACE2303) and [8 August 2023](#) (Exempt Report No. ACE2308).
- 2.2 The Council's LAHF R3 allocation requires delivery of the following:
- A minimum of one 2-to-4-bedroom home for temporary homeless accommodation.
 - A minimum of one 2-to-3-bedroom home or 4+ bedroom home to accommodate ACRS households.
- 2.3 The grant covers 40% to 50% of the home purchase costs. There is an added 10% uplift to the grant rate for each property that is a new home. The

Council will receive £21,000 per property to cover refurbishment and conveyancing costs. There is a further indicative allocation of £4,500 of revenue funding. The Council needs to supply 50% to 60% match-funding of the home purchase costs.

2.4 The Council's [Housing and Homelessness Prevention Strategy](#) commits the Council to:

- Support the Government with its housing obligation to refugees in the borough through partnership working with DLUHC and Rushmoor Homes Limited to deliver appropriate accommodation.
- Ensure a sufficient supply of appropriate emergency accommodation and support.
- If necessary, to acquire property to provide additional accommodation.

3. DETAILS OF THE PROPOSAL

a) Process for acquiring properties

3.1 On 28 March 2024, the Council submitted an expression of interest for LAHF R3. Details of the properties proposed to be acquired is set out in confidential appendix 2.

3.2 This choice of property and number of homes to deliver under LAHF R3 reflects the Council's aims to:

- Achieve strategic objectives in relation to housing and homelessness prevention.
- Support the Government' to accommodate Afghan families who assisted UK efforts in Afghanistan.
- Address the budget deficit over the medium term by providing an income stream to the Council and reduce costs associated with the provision of temporary accommodation.

3.3 The Council must sign a Memorandum of Understanding (MOU) with DLUHC by 31 May 2024 and the first payments to the Council will be made by the end of June 2024. Further payments will be made up to the end of March 2025, depending on progress.

3.4 All properties purchased under LAHF R3 will undergo the usual processes of due diligence, including independent surveys.

3.5 Purchases of individual properties will take place once the due diligence is completed. The Council will complete the due diligence process for both properties. The Council will purchase the property for temporary homelessness accommodation.

3.6 Once the due diligence is completed, the Council will make grant funding available to Rushmoor Homes Ltd (RHL) to complete the purchase of the

property to accommodate an ACRS household. The RHL Board has agreed to this approach for LAHF R1 and R2. The Council will seek formal confirmation of the LAHF R3 position from the RHL Board at its next meeting in May. Approval to proceed to exchange of contracts will be delegated to the Chief Operating Officer. Although RHL will own and manage the property, the Council will retain 100% nomination rights.

- 3.7 In line with the requirements of the fund, the Council must submit regular progress reports and monitoring information to DLUHC.

b) Funding

- 3.8 The Council will receive capital funding of £280,000 from LAHF R3 to purchase the property as set out in confidential appendix 2. DLUHC will provide a further £42,000 refurbishment and conveyancing costs.

- 3.9 The Council will need to provide match funding of £420,000. It is proposed that the Council uses unallocated grant funding from the wider Resettlement Programme and Homelessness Prevention Grant to cover this requirement. The proposed funding sources are set out in the table below.

PROPOSED FUNDING SOURCE	VALUE
HOMELESSNESS PREVENTION GRANT TOP UP	£160,000.00
RESETTLEMENT SCHEMES – CONTINGENCY ACCOMMODATION	£60,000.00
RESETTLEMENT SCHEMES – HOMES FOR UKRAINE	£200,000.00
TOTAL	£420,000.00

- 3.10 This proposal contributes to the Council addressing its budget deficit over the medium term through:

- The acquisition of a new asset at 60% of the market value through the use of uncommitted grant funding, rather than new revenue expenditure or further borrowing.
- Additional income from the rental of the properties.

c) Rushmoor Homes Ltd

- 3.11 Rushmoor Homes Ltd (RHL) is the Council's wholly owned housing company established to deliver quality homes in the borough and to support the Council in the meeting its temporary accommodation obligations where appropriate.

- 3.12 Rushmoor Homes Ltd owns and manages three properties from LAHF R1&2. It has a contract to manage six Council properties from LAHF R1&2 and two properties owned by the Ministry of Defence and leased by the Council.

- 3.13 The Right to Buy is granted to secure tenants of council owned housing stock, it does not apply to tenants of the Housing Company.

3.14 The Council has considered the most flexible and beneficial approach to the acquisitions and considers that RHL is best placed to purchase the property to accommodate an ACRS household. The RHL Board has agreed to this approach for LAHF R1 and R2. The Council will seek formal confirmation of the R3 position from the RHL Board.

d) Alternative Options

3.15 The Council can choose to not participate in LAHF R3 and use the Council's match funding to provide a larger temporary accommodation site. It has been difficult to identify a suitable location for similar sites and LAHF offers the opportunity to acquire an asset and generate future income for the Council.

3.16 The Council could choose to partner with a housing association rather than buy the properties directly. The Council would have no control over project delivery and other councils have experienced project delays through this approach.

3.17 Officers considered a range of options for the choice of property types and sizes. The proposed property choice reflects a best value and risk management judgement as set out in paragraph 4.2.

e) Consultation

3.18 This report has been prepared in consultation with:

- The relevant Portfolio Holders and Lead Member for Resettlement.
- Policy, strategic housing, finance, housing options, and benefits officers.
- The Council's Executive Leadership Team
- Hampshire County Council.

4. IMPLICATIONS

Risks

4.1 This project will be included in the Council's resettlement programme with a team to progress this work including 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.

4.2 The choice of property and recommendation not to apply for the full LAHF R3 allocation manages the risks to the Council related to:

- Uncertainty around the availability of the Flexible Housing Fund to address potential rent arrears. The Flexible Housing Fund was created to help local authorities move Afghans under ACRS from bridging hotels or temporary accommodation into appropriate settled accommodation. £7,100 of funding per person is available, up to a

maximum of £35,000 per household. This can be claimed once accommodation is occupied and where a local authority is providing support to access accommodation.

- In-house management of accommodation, particularly larger family homes.
- Availability of match funding and potential competing demands for this funding.

Legal Implications

- 4.3 External legal advice and support will be sought for the purchase of property(s). The cost of this will be met by the grant funding arrangements. Separate tenancy agreements will be required for the letting of the property. There is a separate Memorandum of Understanding that will be signed, as outlined in the report, which will detail the legal responsibilities as to how the funding is used.

Financial and Resource Implications

- 4.4 The costs of acquiring the property are set out in confidential appendix 2. This will also include Stamp Duty that will be payable by RHL on the property that it is acquiring.
- 4.5 LAHF funding available amounts to a total of £280,000 (based on 40% of the purchase price of £700k) plus a sum of £42,000 for legal and conveyancing costs.
- 4.6 Match funding of £420,000 has been identified from the wider Resettlement programme and Homelessness Prevention Grant.
- 4.7 The management and running costs of the properties under LAHF R3 will be covered by the receipt of rental income. Any surplus income from the RBC owned property will be available for general use by the Council. The surplus income for the Council owned property is estimated to be in the region of £9,000 per annum.

Equalities Impact Implications

- 4.8 An Equalities Impact Assessment for the Local Authority Housing Fund has been undertaken and will be updated as the project progresses.
- 4.9 It is expected that this proposal will have no negative impact on people with protected characteristics. Purchasing accessible properties would have a positive impact on people with disabilities. Purchasing homes for ACRS households will have a positive impact for those people.

5. CONCLUSIONS

- 5.1 Cabinet is asked to:

- Agree in principle with the purchase of homes for temporary homelessness accommodation and to accommodate an ACRS household using LAHF R3 funding with match funding from unallocated grant funding from the wider Resettlement Programme and Homelessness Prevention Grant.
- Agree to sign the Memorandum of Understanding (MOU) relating to LAHF R3 following the principles set out in this report.
- Approve the governance arrangements associated with the purchase of properties (section 3.4 to 3.6).
- Agree to provide grant funding to Rushmoor Homes Limited for the purchase of properties to accommodate an ACRS household.
- Recommend to Council that the Capital Programme for 2024/25 is increased by £742,000 to be fully funded from a combination of LAHF and Resettlement grants.

LIST OF APPENDICES/ANNEXES:

Appendix 1: Memorandum of Understanding

Confidential Appendix 2: Proposed property plan.

BACKGROUND DOCUMENTS:

[Local Authority Housing Fund: Round 3 prospectus and guidance](#)

CONTACT DETAILS:

Report Author Difaf Sharba difaf.sharba@rushmoor.gov.uk
Alex Shiell alex.shiell@rushmoor.gov.uk

Head of Service Rachel Barker rachel.barker@rushmoor.gov.uk
Tim Mills tim.mills@rushmoor.gov.uk

MEMORANDUM OF UNDERSTANDING

Between

Department for Levelling Up, Housing and Communities

-and-

LA Name

1. Purpose

- 1.1. This Memorandum of Understanding ('MOU') sets out the agreed working relationship between the Department for Levelling Up, Housing and Communities ('DLUHC') and **LA Name** ('the Council') regarding the administration and delivery of the Local Authority Housing Fund – third funding round ('LAHF R3').
- 1.2. This MOU will be for the period 2024/25-2025/26. It will be reviewed and updated only where either of the signatories deem it necessary, in which case it will require joint agreement. Further detail on changing the MOU is set out in Paragraph 4.5.
- 1.3. This MOU is not intended to create legal or binding obligations. It describes the understanding between both parties for the use of funding specified in Section 3 of this agreement.

2. Background

- 2.1. LAHF R3 was launched in March 2024. The details of the fund were shared with the Council in the document 'Local Authority Housing Fund - third funding round: Prospectus and Guidance' ('the Prospectus').
- 2.2. LAHF R3 is a £450m grant fund, with objectives to:
 - Reduce local housing pressures and use of expensive and unsuitable accommodation, by providing better quality temporary accommodation to those owed homelessness duties by local authorities.
 - Reduce temporary accommodation costs.
 - Provide sustainable settled housing to those on ACRS so that they can build new lives in the UK, find employment and integrate into communities.
 - Support local housing markets by assisting the delivery of new housing stock or new developments to grow overall housing supply.

2.3. DLUHC has accepted the Council's plan to provide X homes ('the total delivery target') under LAHF R3, and DLUHC will provide a capital grant of £X ('the total allocation'). This will be provided as £X in 2024-2025 ('the Year 1 allocation') and £X in 2025-2026 ('the Year 2 allocation'). The Council agrees the following targets to deliver at least:

- X properties to be allocated to households that meet the **TA element** eligibility criteria outlined in section 5.1 of the Prospectus.
- X properties for households that meet the **R3 resettlement element** eligibility criteria outlined in section 5.2 of the Prospectus;
- X properties (4+ bed) for households that meet the **R3 large resettlement element** eligibility criteria outlined in section 5.2 of the Prospectus.

2.4. DLUHC will also provide £X in revenue funding in 2024-2025 to the Council.

2.5. This MOU covers the funding commitments from DLUHC and the delivery, financial expenditure, agreed milestones, reporting and evaluation, and communications between the Parties. It also sets out the steps DLUHC could take in the event of underperformance if required.

3. Purpose of the Funding

3.1. LAHF R3 funding has been provided specifically for spending on LAHF R3 priorities and the Council agrees to spend LAHF R3 funding on activity set out in this MOU as agreed with DLUHC or subsequently agreed with DLUHC as per Paragraph 4.5.

3.2. DLUHC will part fund the cost of the Council obtaining properties for use by households that meet the eligibility criteria. The Council will use its best endeavours to meet the delivery target and to achieve value for money.

3.3. For the **TA element** and the **R3 resettlement element**, DLUHC's contributory share of capital funding ('the base grant rate') has been calculated as 40% of the costs of each acquisition or refurbishment that the council charges to its capital budget plus £21,000 per property. Eligible costs funded by the 40% and the £21,000 per property could include the purchase price, stamp duty, surveying, legal and other fees, refurbishments, energy efficiency measures, decoration, furnishings, or otherwise preparing the property for rent and potentially irrecoverable VAT incurred on these items. The Council should ensure it complies with the Code of Practice for Local Authority Accounting.

- 3.4. For the **R3 large resettlement element**, the base grant rate has been calculated as 50% of the costs of each acquisition or refurbishment that the council charges to its capital budget plus £21,000 per property. Eligible costs funded by the 50% and the £21,000 per property could include the purchase price, stamp duty, surveying, legal and other fees, refurbishments, energy efficiency measures, decoration, furnishings, or otherwise preparing the property for rent and potentially irrecoverable VAT incurred on these items. The Council should ensure it complies with the Code of Practice for Local Authority Accounting.
- 3.5. DLUHC has also agreed to provide a 10% uplift to the grant rate for each property that is a new home ('the new home uplift'). A new home is a property that will be delivered in FYs 24/25 or 25/26 as a direct new development, an 'Off-the-shelf' new build property purchased from developers, a property that has its use converted (delivering an extra residential unit) or a property that has its use changed (delivering an extra residential unit). The Council has agreed to deliver at least the following as new homes ('the new home target'):
- TA element or R3 resettlement element properties
 - R3 large resettlement element properties
- 3.6. The Council may determine how it uses the base grant rate, the new home uplift and the £21,000 per property and how much is to be spent on each individual property as long as the delivery target and the new home target is met.
- 3.7. The Council or its delivery partner(s) will fund the outstanding sum required for each property.
- 3.8. The funding will be provided by DLUHC in four tranches. The 'Tranche 1 allocation' is 30% of the Year 1 allocation. The 'Tranche 2 allocation' is 70% of the Year 1 allocation. The 'Tranche 3 allocation' and the 'Tranche 4 allocation' are both 50% of the Year 2 allocation. All tranches are set out in Table 1.

Table 1 – Capital funding allocation

	Tranche 1 allocation	Tranche 2 allocation	Tranche 3 allocation	Tranche 4 allocation	Total allocation
Total funding	£X	£X	£X	£X	£X

- 3.9. Revenue funding has been provided to the Council for any activities which support delivery of the total allocation, including but not limited to programme/administration resource or professional services (e.g. fees, conveyancing). Revenue funding will be paid in full alongside the Tranche 1 allocation.

4. Delivery Profile

- 4.1. Delivery of the fund will be measured on the basis of exchange of contracts, or equivalent milestone where exchange of contract will not occur, and the number of households accommodated in the properties. Any variations to this, and necessary changes to the MOU, will need to be agreed by the parties and an amendment to this MOU made.
- 4.2. Funding outlined in Table 1 is provided to deliver the total delivery target. The Council agrees to make best endeavours to meet the total delivery target by 31 March 2026.
- 4.3. The Council agrees to deliver **X** properties in financial year 2024-25 ('the Year 1 delivery target') and **X** properties in financial year 2025-26. The property types that the Council agrees to delivery is each year is outlined in Table 2.

Table 2 – delivery profile

Property type	Year 1 delivery target (2024-25)	Year 2 delivery target (2025-26)	Total delivery target
TA element	X	X	X
R3 resettlement element	X	X	X
R3 large resettlement element	X	X	X
All property types	X	X	X

- 4.4. This MOU is for the full term of the total allocation unless signatories agree to change as per Paragraph 4.5. A further Grant Determination Letter (GDL) will be provided following confirmation of each tranche payment.
- 4.5. DLUHC and the Council both have the right to request a change to the MOU. With regards to changing the target number of units, the Council may ask for either a higher or lower target. Any proposed change will impact the amount of funding received (as set out in the Prospectus) unless the Council is seeking to deliver more units for the same amount of money. Requests will be considered based on the progress of the reallocations process as outlined in Section 11 of the Prospectus and confirmed in writing.

5. Financial Arrangements

- 5.1. The agreed funds will be issued to the Council as grant payments under section 31 of the Local Government Act 2003. The Council may pass on the funding to a third party (e.g. Registered Providers) as appropriate to deliver the delivery target, complying with the Subsidy Control Act 2022.
- 5.2. Table 3 sets out the timetable for payments to be made to the Council. The earliest payment date for the Tranche 1 allocation is in April 2024. The Tranche 2 allocation will be paid once the Council has demonstrated that at least 60% of the Tranche 1 allocation has been committed ('the Tranche 2 spend requirement') via a Section 151 officer Statement of Grant Usage.
- 5.3. The Tranche 3 allocation will be paid once the Council has demonstrated that at least 80% of the Tranche 1 and Tranche 2 allocations has been committed ('the Tranche 3 spend requirement') via a Section 151 officer Statement of Grant Usage.
- 5.4. The Tranche 4 allocation will be paid once the Council has demonstrated that at least 80% of the Tranche 1, Tranche 2 and Tranche 3 allocations has been committed ('the Tranche 4 spend requirement') via a Section 151 officer Statement of Grant Usage.
- 5.5. Should the Council not meet the spend requirement for Tranche 2, 3 or 4 payments by the dates set out in Table 3, DLUHC will consider putting in place further payment dates.
- 5.6. The Council may wish to return unspent monies to the Department.
- 5.7. DLUHC reserves the right to request the return of some or all of the capital and resource funding if the Council significantly reduces its agreed delivery target or withdraws from LAHF R3 completely.

Table 3 – Payments timetable

Payment milestone	Requirements for payment milestone	Payment by
Tranche 1 (30% of total Year 1 capital allocation) 100% of programme revenue allocation	MOU signed with DLUHC	By 15 May 2024 (if a MOU is signed by 5 April) or By 14 June 2024 (if a MOU is signed by 6 May)

<p>Tranche 2 (70% of Year 1 capital allocation)</p>	<p>Statement of Grant Usage (SOGU) demonstrating <u>60% of the Tranche 1</u> first tranche has been committed*, AND</p> <p>Relevant monitoring information (MI) submitted</p>	<p>By 2 September 2024 (if SOGU provided by 5 August) and all MI submitted to schedule.</p> <p>or</p> <p>By 4 November 2024 (if SOGU provided by 7 October) and all MI submitted to schedule.</p> <p>(With further payment windows in January 2025, and March 2025 deadlines TBC)</p>
<p>Please note that Year 2 allocation can be paid in full, in a combined tranche 3 & 4 payment if the relevant milestone is met and SOGU submitted by relevant deadline¹.</p>		
<p>Tranche 3 (50% of Year 2 capital allocation)</p>	<p>Statement of Grant Usage (SOGU) demonstrating <u>80% of the Tranches 1 and 2</u> has been committed*, AND</p> <p>Relevant monitoring information (MI) submitted</p>	<p>By 2 June 2025 (if SOGU provided by 12 May) and all MI submitted to schedule.</p> <p>Or</p> <p>By 4 July 2025 (if SOGU provided by 2 June) and all MI submitted to schedule.</p> <p>(With further payment windows in September 2025, November 2025, January 2026, and March 2026 deadlines TBC)</p>

¹ For local authorities seeking to accelerate delivery, a combined tranche 3 & 4 payment can be made. The SOGU needs to demonstrate the local authority has committed 80% of the combined Tranche 1, 2 and 3 total. Note that the tranche 3 payment may not yet have been paid to the local authority.

<p>Tranche 4 (50% of Year 2 capital allocation)</p>	<p>Statement of Grant Usage (SOGU) demonstrating <u>80% of the Tranches 1, 2 and 3</u> has been committed*, AND</p> <p>Relevant monitoring information (MI)</p>	<p>By 2 June 2025 (if SOGU provided by 12 May) and all MI submitted to schedule.</p> <p>Or</p> <p>By 4 July 2025 (if SOGU provided by 2 June) and all MI submitted to schedule.</p> <p>(With further payment windows in September 2025, November 2025, January 2026, and March 2026 deadlines TBC)</p>
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* Note: committed spend in table 1 refers only to capital grant spend (and does not include revenue grant spend)

6. Charging Affordable Rents for LAHF R3 funded homes

- 6.1. The LAHF Prospectus specifies “It is up to local authorities to determine the precise rent level and tenure of homes in line with the fund objectives. This could include...Affordable Rent.”
- 6.2. The Rent Standard <https://www.gov.uk/government/publications/rent-standard/rent-standard-april-2023-accessible-version> provides that Affordable Rents may be charged only in limited circumstances.
- 6.3. This MOU records the agreement between the Secretary of State and the Council that relevant accommodation, provided by the Council or a partner Registered Provider pursuant to LAHF grant funding, is permitted to be let at an Affordable Rent, and that accordingly that an Affordable Rent may be charged for such accommodation in accordance with paragraph 3.8b of the Rent Standard - April 2023.
- 6.4. In Paragraph 6.3, “relevant accommodation” means accommodation:
 - in the Council area;
 - which is being used to further the LAHF objectives set out at paragraph 2.3 of the MOU;
 - which has never been let at a social rent; and
 - where the accommodation is provided by a partner Registered Provider, for which the Council has agreed that the partner Registered Provider may charge affordable rent.

7. Roles and Responsibilities

DLUHC Responsibilities

7.1. DLUHC is responsible for setting national housing policy, providing grant(s) to the Council and monitoring the delivery of homes.

Council Responsibilities (fund delivery)

7.2. The Council will make housing investment decisions, review existing housing policies and products, maximise leverage of this public sector investment and ensure that funds provide value for money and are deliverable within the timescale of the fund. The Council may work in partnership with private Registered Providers, local authority housing companies or other bodies to deliver homes. The Council will also report on the fund by providing Management Information (MI) as set out in **Annex A** of this MOU and will work with DLUHC to ensure they have the capability to deliver the fund and provide MI within the set timescales.

7.3. The Council is expected to have the necessary governance and assurance arrangements in place and that all legal and other statutory obligations and consents will be adhered to, which may include, but not solely:

- **subsidy control**, at all levels e.g. the funding the Council allocates to project deliverers and subsidies that project deliverers provide to third parties.
- **equalities duties**, the Council must ensure that all LAHF funded activity is delivered in accordance with its obligations under the public sector equality duty (PSED)
- **procurement**, the Council must ensure that the allocation of funding to project deliverers that constitutes a procurement is managed in compliance with the public contract regulations
- **fraud**, the Council must ensure that robust arrangements are in place to manage fraud risk, including ensuring that project deliverers have robust fraud risk management process and paying particular attention to projects that involve the payment of grants to beneficiaries e.g. businesses.

7.4. The Council's Section 151 Officer is expected to ensure that these legal duties and all other relevant duties are considered and that delivery of LAHF investment is carried out with propriety, regularity and value for money.

Council Responsibilities (Affordable Rents – where required by LAs)

- 7.5. The Council should note (and remind partner Registered Providers) that conversion of social rent properties to affordable rent is not permitted pursuant to paragraph 3.15 of the Rent Standard other than in the circumstances set out in chapter 2 of the Rent Policy Statement.
- 7.6. Where the Council has agreed that a partner Registered Provider may charge affordable rent, the Council will confirm to the Registered Provider that the Registered Provider may charge affordable rent in accordance with Paragraph 6.3 of this MOU.
- 7.7. The Council will require partner Registered Providers to provide details to the Council of any accommodation provided pursuant to LAHF grant funding for which Affordable Rent is charged.
- 7.8. The Council will maintain a register of any accommodation provided pursuant to LAHF grant funding for which it or a partner Registered Provider is charging Affordable Rent. This register should be available for inspection upon request by either DLUHC or the Regulator for Social Housing. The fields of information required in register are specified in **Annex C**.

8. Monitoring Arrangements and Accountability

- 8.1. The Council will put in place appropriate governance and oversight arrangements to ensure that delivery of housing is on track and that plans remain ambitious and provide value for money.

Reporting Arrangements

- 8.2. The Council has agreed to provide reporting information to DLUHC on fund allocations and delivery. The Council will be asked to provide a mix of quantitative and qualitative summary updates to DLUHC; a full list of MI can be found in **Annex A**.
- 8.3. The first report will be due in July 2024 and then every two months thereafter, until the Council's programme has completed. The schedule for monitoring reports is outlined in **Annex B**.
- 8.4. Spend outturn and forecast should be signed off by the Section 151 officer or deputy Section 151 officer.
- 8.5. A Statement of Grant Usage Section 151 officer or deputy Section 151 officer should be submitted when:
 - at least 60% of the Tranche 1 allocation has been committed

- at least 80% of the Tranche 1 and 2 allocations has been committed
 - at least 80% of the Trance 1, 2 and 3 allocations has been committed
- 8.6. The Council also agrees to work with the department to provide any reasonable additional MI as and when requested by the DLUHC Senior Reporting Officer (SRO). DLUHC will provide an appropriate amount of time to return any additional MI requests.
- 8.7. The Council agrees to work collaboratively with any requests from DLUHC to support any retrospective assessment or evaluation as to the impact or value for money of LAHF. As a minimum, the Council is expected to monitor spend, outputs and outcomes against agreed indicators and keep this information for at least 5 years.

9. Governance & Assurance

- 9.1. The Council is expected to ensure that all legal and other statutory obligations and consents will be adhered to, which may include, but not solely, state aid / subsidy control, equalities duties, procurement, health and safety, and fraud prevention. The Council has prerogative to establish internal governance and assurance arrangements as they see fit to achieve this.
- 9.2. The Council will ensure data can be shared for the prevention and detection of fraud by including the following clause in all agreements with companies or external entities in relation to LAHF – including, but not limited to, property contracts, professional services contracts, construction contracts and lease agreements:
- “Data may be shared with other enforcement agencies for the prevention and detection of crime.”

Signed for and on behalf of DLUHC

Signature:

Name:

Position:

Date:

Signed for and on behalf of **LA Name**

Signature:

Name:
Position:

Date:

SAMPLE

Annex A – Reporting and Monitoring Arrangements

Scope and Purpose

1. This annex sets out the agreed reporting and monitoring arrangements for LAHF, including the expected frequency and content of the regular reports that the Council will provide to DLUHC.

DLUHC Role

2. DLUHC will support the running of the fund and maintain a national picture of delivery by putting in place a proportionate monitoring and governance framework. This will include a fund governance board(s) attended by the DLUHC Senior Reporting Officer (SRO) and other relevant stakeholders. Wherever possible DLUHC will avoid duplication of requests towards the Council.

Council Role

3. Day-to-day project monitoring and delivery responsibilities will be delegated to the Council. The Council will submit reports to DLUHC in accordance with the agreed timescales and frequency set out in the MoU. The Council will also work with DLUHC to provide any reasonable additional MI required as and when requested by the DLUHC Senior Reporting Officer. DLUHC will provide an appropriate amount of time to return any additional MI requests.

Management Information (MI)

4. The list of MI is split between operational data – required for monitoring the ongoing fund delivery (Table 3) and evaluation data (Table 4) required to assess the strategy-level success of the fund and inform future policy development. Tables 4 and 5 present the required routine MI and is subject to change, with agreement by DLUHC and the Council. For MI and payment purposes, “committed spend” is considered funding which has been allocated to a property where there has been an exchange of contracts or equivalent milestone where exchange of contract will not occur.

Table 3 – Monitoring Data

Item	Frequency
Number of properties where contracts exchanged, including: <ul style="list-style-type: none"> • bedroom size • whether located in another borough area • who will own the dwellings • how properties obtained 	Every 2 months
Number of properties occupied/ ready to let, including bedroom size	Every 2 months
Number of resettlement scheme households housed	Every 2 months
Number of pending resettlement scheme properties pre-matched to current/ former bridging hotel households	Every 2 months
Total expenditure (incl grant and other funding)	Every 2 months
Total committed spend (incl grant and other funding)	Every 2 months
DLUHC grant used	Every 2 months
Overall assessment (RAG rated) of whether delivery is on track as determined by the responsible Council officer	Every 2 months

Table 4 – Evaluation Data

Item	Frequency
How properties have been sourced (e.g. through stock acquisition or another delivery route)	In April 2026 and thereafter upon request to aid with evaluation of the fund
How the Council has funded its contributory share	
Breakdown of resettlement scheme households housed by previous housing situation, e.g. in bridging hotel, in LA emergency accommodation/temporary accommodation	
Tenancy duration	
Rent levels	
Number of properties obtained outside the local authority's area, if applicable, and where these are located.	

- In addition, to enable the assessment of relative value for money and to assist with future spending reviews, we may occasionally ask for additional information including details of how the fund is delivered and housing market conditions. This will provide important data to support future policy developments and will also support engagement with HM Treasury. This information will be provided to agreed timeframes when requested by DLUHC.
- Should the Council wish to amend and/or not collect any of these proposed data points, they should submit a proposal to DLUHC for agreement.

Frequency of Reporting

- The Council will be asked to provide reports every two months. The schedule for monitoring reports is outlined in Annex B.

Data Consistency

8. DLUHC and the Council have a shared commitment to ensure that, for clarity and transparency purposes, consistent methods of recording outputs are maintained. It is expected that the provided reporting will be robust, accurate and quality assured to a high standard. As such minimal revisions would be expected – although, where these are required, DLUHC should be advised as soon as practical.

Use of Material Provided

9. DLUHC will use the provided material to monitor delivery nationally.

SAMPLE

Annex B – Monitoring Milestones

1. The Council is requested to submit the monitoring information summarised in **Annex A** via a Microsoft Form every two months by 5pm on the dates outlined below. DLUHC will provide the link to the form directly to the Council well in advance of each touchpoint date.
2. DLUHC will provide full guidance for submitting the form directly well in advance of each touchpoint date.

Table 5 – Monitoring Touchpoint Dates

Monitoring touchpoint	Microsoft Form to be submitted by 5pm on the following dates
Touchpoint 1	01 July 2024
Touchpoint 2	02 September 2024
Touchpoint 3	04 November 2024
Touchpoint 4	06 January 2025
Touchpoints 5-12	TBC
Evaluation	April 2026

Annex C – Register of LAHF accommodation for which an Affordable Rent is charged

This annex sets out the agreed information which will be contained in the Council’s Register of LAHF accommodation for which an Affordable Rent is charged.

This register should be available for inspection upon request by either DLUHC or the Regulator for Social Housing.

Property address			
Completion date			
Name of Registered Provider			
Registration Code			

(Note: The Council is not required to submit this information as part of regular delivery monitoring submissions.)

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