

This report will be made public on 21 March 2023

Report Number **A/22/37**

To: Full Council
Date: 29 March 2023
Status: Key Decision
Responsible Officer: Andy Blaszkowicz
Cabinet Member: Councillor David Godfrey, Cabinet Member for Housing and Special Projects

SUBJECT: LOCAL AUTHORITY HOUSING FUND

SUMMARY:

The Government has provisionally offered the Council £1.2m of Local Authority Housing Fund (LAHF) grant, to facilitate the purchase of ten properties to temporarily accommodate Ukrainian and Afghan refugees in the district. The timeframe for the Council to confirm it wishes to accept the grant funding is very short. The Cabinet Member for Housing and Special Projects took an individual member decision and agreed that the Council should submit a non-binding Memorandum of Understanding to the Government by their deadline of 15 March 2023. This decision was considered by Cabinet at its meeting on 22 March 2023.

REASONS FOR RECOMMENDATIONS:

Full Council is asked to agree the recommendations set out in this report because: -

- a) The LAHF covers 40-50% of the purchase cost for ten properties, plus a further £20K per property for other associated costs.
- b) The properties will be used initially to house Ukrainian and Afghan refugees, but can subsequently be used to accommodate households on the housing list.
- c) Approximately 100 Ukrainian households have been accommodated in the district under the Ukrainian Settlement Programme, some of these households are likely to need to move into alternative accommodation over the coming months.

RECOMMENDATIONS:

1. To receive and note this report.
2. To agree the match funding requirements of the scheme and how this is proposed to be met from Council resources, as set out in section 1.4 of this report.
3. To agree that the funding required for the project of £2.9M, made up of LAHF grant and the Council's match funding should be added to the 2023/24 HRA Capital Programme.

1. Introduction & Background

- 1.1 The Government has recently announced details of a national £500million scheme to enable local authorities to purchase properties in their area to accommodate both Ukrainian and Afghan refugee households for an initial period of 3 years. The properties will form part of the Council's Housing Revenue Account stock and can subsequently be used to accommodate households from the Council's housing waiting list.
- 1.2 The Council has been allocated a provisional grant sum of £1.2million to facilitate the purchase of ten properties in the district. Nine of the properties are required to be 2 or 3-bedroom homes and one is required to be a 4-bedroom home.
- 1.3 The grant will be paid in 2 tranches, the first (30%) in March 2023 and second tranche (70%) during 2023/24 as property purchases are progressed. The grant covers 40% of the purchase price for 2/3-bedroom properties and 50% in the case of the 4-bedroom property. The Government will also be providing an additional £20k grant per property to cover any additional cost incurred, including stamp duty and costs to get the property ready for occupation.
- 1.4 The Council is expected to fund the remaining acquisitions costs through its own resources. This is expected to be in the region of £1.2M-£1.5M. It is proposed that the Council should utilise the following existing resources for this purpose:
 1. The Council's Housing Revenue Account agreed new build and acquisition resources - £700K
 2. Ukrainian households grant assistance funding held by the Council (received from central Government) - £300K
 3. Affordable housing developer contributions held by the Council - £500K
- 1.5 The Council is required to complete all the property purchases by 30th November 2023. An initial review of the local market has shown there are several suitable properties currently available, and it is fully anticipated that other viable properties will become available over the coming months.
- 1.6 Due to the extremely short-time frame set by the Government, the Cabinet Member for Housing and Special Projects agreed that the Council should submit the necessary Memorandum of Understanding to the Government by 15 March 2023. Cabinet was asked to agree that the Council should participate in the LAHF initiative and purchase the required ten properties at its meeting on 22 March 2023.
- 1.7 Council is asked to agree that the funding required for project of £2.9M, made up of LAHF and the Council's match funding should be added to the HRA Capital Programme.

2. RISK MANAGEMENT ISSUES

2.1 A summary of the perceived risks is as follows:

Perceived risk	Seriousness	Likelihood	Preventative action
The scheme cannot be delivered within resources available to the Council	Medium	Low	The proposed resources are set out in section 1.4 of this report. The grant funding from Government will cover 40-50% of the property acquisition costs. Additionally the resources outlined in 1.4 are anticipated to be sufficient to cover the match funding element. Once the final resource allocation has been determined a report to Full Council will need to be submitted.
The Council is unable to acquire the properties within the agreed timeframe.	Medium	Low	Officers will regularly review the local market to identify suitable and viable properties.

3. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

3.1 Legal Officer's Comments (NM)

There are no legal implications arising directly from this report. The MOU is not a binding but sets out the understanding between the parties for the use of the funding. Legal Services will review the MOU and advise accordingly.

3.2 Finance Officer's Comments (JS)

The proposed matching funding is anticipated to be in the region of £1.2-1.5 million. Section 1.4 outlines where this match funding could be identified from within existing council resources. The HRA Capital Programme for 2023/24 has £1 million allocated for the HRA acquisition programme. The Homes for Ukraine Grant currently has in the region of £400k available. And further resources are anticipated to be able to be identified from Section 106 contributions. The budget for the whole scheme (including the LAHF grant funded element) requires a decision from Full Council for it to be incorporated in the HRA Capital programme and budget.

3.3 Diversities and Equalities Implications (AH)

The properties purchased through this scheme will be specifically (initially) be made available as homes for refugee households from Ukraine and Afghanistan.

3.4 Climate Change Implications (AH)

There are no implications arising directly from this report. Wherever possible, the Council will work to improve the energy efficiency of the properties purchased.

4. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officers prior to the meeting.

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The following background documents have been relied upon in the preparation of this report:

None.