

---

**Subject:** ACCEPTANCE OF FUNDING AWARDED FROM THE LOCAL AUTHORITY HOUSING FUND - ROUND 2

**Date:** 3 July 2023

**Decision to be taken by:** Mike Davis, Strategic Director (Finance and Housing)

**Report of:** Helen Lamb, Head of Finance and Investment

**Portfolio Holder:** Councillor Pam Brivio, Portfolio Holder for Housing, Skills and Education

**Decision Type:** Executive Key Decision

**Delegated Authority:** Delegation C79 to the Section 151 Officer of the Scheme of Officer Delegations (Section 6 of Part 3 (Responsibility for Functions) of the Constitution): 'To make application for and to accept grants or other assistance on behalf of the Council.'

**Classification:** Unrestricted

---

**Purpose of the report:** To agree to accept capital grant funding via the Local Authority Housing Fund - Round 2 to facilitate the acquisition of six properties: three for affordable rent for refugees moving from Bridging Hotels and three for social rent general needs interim accommodation.

---

**Recommendation:**

1. To accept grant funding totalling £840,000 from the Department for Levelling Up, Housing and Communities via the Local Authority Housing Fund – Round 2.
2. To determine that, in the opinion of the decision-maker, this decision is an urgent one and the Chairman of the Council should therefore be requested to suspend call-in.

---

## 1. Summary

- 1.1 On 6 June 2023, the Government launched Round 2 of the Local Authority Housing Fund with an additional £250 million of funding to help local authorities (LAs) to house people fleeing conflict from Afghanistan.
- 1.2 Dover has provisionally been identified as eligible for capital grant funding (under section 31 of the Local Government Act 2003), with an offer of funding of £840,000 to provide six properties.
- 1.3 This report requests that the Strategic Director (Finance and Housing) approves the acceptance of the grant funding.

## 2. Introduction and Background

- 2.1 A number of initiatives have been launched by Central Government in order to support refugees arriving from Ukraine and Afghanistan through recognised government assistance programmes. This funding is made available via round 2 of the Local Authority Housing Fund.

- 2.2 The Local Authority Housing Fund is designed to help local authorities to house people fleeing conflict – predominantly from Ukraine and Afghanistan. Round 2 has a more specific objective to provide housing for people currently housed in Bridging Hotels, and also to provide additional interim housing for general needs.
- 2.3 On 6 June 2023, the Council received notification from the Department for Levelling Up, Housing and Communities (DLUHC) that Dover has provisionally been identified as eligible for capital grant funding (under section 31 of the Local Government Act 2003), with an indicative allocation of £840,000 to support the delivery of six properties.
- 2.4 The Council has provisionally accepted the offer, subject to formal approval.
- 2.5 The Department of Levelling up, Housing and Communities has informed the Council that the funding will be awarded in July.

### 3. **Identification of Options**

- 3.1 Option 1 - To accept the grant funding and progress the project, subject to Cabinet approval.
- 3.2 Option 2 – To not accept the grant funding.

### 4. **Evaluation of Options**

- 4.1 Option 1 is the recommended option as it will enable delivery of three properties for affordable rented accommodation for refugees, and three properties for general needs interim accommodation. The Portfolio Holder for Housing, Skills and Education has been consulted on the proposals and supports the project. A report concerning the subject matter will be considered by Cabinet on 4 September 2023. However, there is the potential that the grant could be received by the Council in advance of this date and officers would wish to be in a position to accept it. For the same reason, the decision maker is invited to determine that the decision is an urgent one and that the Chairman of the Council should therefore be requested to suspend call-in.
- 4.2 Option 2 is not recommended.

### 5. **Resource Implications**

- 5.1 The overall funding offered is £840,000. This is capital funding only, and it cannot be combined with Affordable Housing Programme funding or Retained Right to Buy receipts.
- 5.2 The funding is provided to purchase three “2 or 3 bed” houses and three larger houses. The average price of these houses (including any remedial works, purchase fees etc) is £284,676 and the average funding is £140,000 per house or 49% of the cost. The capital funding therefore provides a higher percentage of the total cost than would be allowed when spending Right to Buy receipts and is also a higher percentage than would usually be received from Homes England for schemes that they support.
- 5.3 The amount of capital funding offered is insufficient to acquire the properties outright, but the shortfall can be adequately covered by borrowing (an estimated average of £144,675 per property) over 40 years, serviced by the rental income of circa £49,465 pa.

### 6. **Corporate Implications**

- 6.1 Comment from the Section 151 Officer: The S151 Officer has been consulted in the preparation of this report and has no further comments. (MD)
- 6.2 Comment from the Solicitor of the Council: The Strategic Director (Corporate and Regulatory) has been consulted during the preparation of this report and has no further comment to make. (LM)

6.3 Comment from the Equalities Officer: This report relating to the acceptance of funding awarded from the Local Authority Housing Fund Round 2 does not specifically highlight any equality implications, however in discharging their duties members are required to comply with the public sector equality duty as set out in Section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15/section/149>. (KMc)

7. **Background Papers**

None.

Contact Officer: Rachel Collins, Strategic Housing Manager - ext 42254