
Subject:	PROVISION OF INTERIM HOUSING FOR UKRAINIAN REFUGEES VIA THE GOVERNMENT'S LOCAL AUTHORITY HOUSING FUND
Meeting and Date:	Cabinet – 4 September 2023
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
Classification:	Unrestricted

Purpose of the report: To accept funding from Kent County Council via the Government's Local Authority Housing Fund to acquire six properties for affordable rent, initially as interim housing for refugees, and later for general needs housing.

Recommendation: It is recommended that Cabinet:

1. Approves a project to acquire, and where necessary refurbish, six properties for affordable rent, under the terms of the Local Authority Housing Fund (LAHF) programme.
2. Authorises the Head of Finance and Investment, in consultation with the Portfolio Holder for Housing, Skills and Education, to take the necessary decisions and actions to progress the project and purchase the properties including (but not limited to) accepting LAHF grant funding from Kent County Council, agreeing the purchase price, approving the sale purchase agreements, appointing any necessary professional advisers, and agreeing works to bring the properties up to lettable standards.
3. Authorises the Head of Finance and Investment, in consultation with the Portfolio Holder for Housing, Skills and Education, to accept further funding, if awarded, from the LAHF, and acquire additional properties as required by the grant funding conditions and in accordance with recommendation 2.

1. Summary

- 1.1 On 14 December 2022, the Government launched Round 1 of the Local Authority Housing Fund (LAHF) to help local authorities (LAs) to house people fleeing conflict – predominantly from Ukraine and Afghanistan.
- 1.2 Funding allocated to Kent County Council (KCC) under this fund has been offered to Dover District Council (DDC) to acquire six properties for affordable rent, initially as interim housing for Ukrainian refugees, and later for general needs housing.

2. Introduction and Background

- 2.1 A number of initiatives have been launched by Central Government in order to support refugees arriving from Ukraine through recognised Government assistance programmes.

- 2.2 The Local Authority Housing Fund is designed to help local authorities to house people fleeing conflict – predominantly from Ukraine and Afghanistan. The intention of the fund is to reduce the impact of new arrivals on existing housing pressures and eventually provide a new and permanent supply of accommodation for local communities.
- 2.3 KCC has been awarded funding under the LAHF, and under the funding conditions can provide funding to Registered Providers to enable them to acquire properties to be let to Ukrainian refugees, and later for general needs housing.
- 2.4 KCC has made available £840,000 for DDC to acquire, own and manage 6 x 2-bedroom houses.
- 2.5 Properties provided can be new build or refurbishment of existing properties. Viability appraisals have been carried out and demonstrate that the delivery route at least risk to the Council is via purchase and repair (P+R) – where existing properties are purchased and refurbished to meet lettable standards.
- 2.6 Properties may be let at Affordable Rents, and a Local Lettings Policy may be put in place to match eligible households and also meet local needs.
- 2.7 KCC has previously granted revenue funding to enable the Council to provide support for refugees, which will be utilised to support the residents of the six properties, as required.

3. **Identification of Options**

- 3.1 Option 1 - Accept KCC offer of LAHF funding. Accept funding from KCC to acquire 6 new homes. DDC to finance the remaining purchase costs, allocate and manage the properties.
- 3.2 Option 2 - Refuse KCC offer.

4. **Evaluation of Options**

- 4.1 **Option 1 - accept offer.** This gives the Council the opportunity to receive funding to acquire six homes. The homes will be interim homes in the short term, and then, when no longer required for the schemes for Ukrainian refugees, will be transferred into general needs stock, or remain as interim housing for groups outside the parameters of the schemes.

The amount of capital funding offered is sufficient to acquire the properties in line with the usual DDC financial parameters. The shortfall in development costs could be adequately covered by borrowing over 40 years, serviced by the rental income.

This is the recommended option.

- 4.2 **Option 2 - refuse offer.** The opportunity to receive funding to add to the housing stock would be lost.

This option is not recommended.

5. **Resource Implications**

- 5.1 The overall funding offered is £840,000. The funding is capital funding only, and it cannot be combined with Affordable Housing Programme funding or Retained Right-to-Buy receipts.
- 5.2 The capital funding offered is at higher rates than would be allowable when spending Right-to-Buy receipts, and also at higher rates than would usually be received from Homes England.

5.3 A viability appraisal has been completed, using standard Council assumptions in relation to project costs, and taking into consideration the current availability and cost of suitable properties on the open market. This appraisal will be updated in real time, based on actual costs over the life of the project to ensure the project remains within acceptable viability parameters.

5.4 The amount of capital funding offered via the LAHF funding from KCC is insufficient to acquire the six properties outright via purchase and repair. In line with the usual DDC financial parameters the shortfall in development costs could be adequately covered by borrowing over 40 years, serviced by the rental income.

6. **Climate Change and Environmental Implications**

6.1 The properties purchased will be existing properties, and where necessary works will be carried out to improve the energy performance and thermal efficiency of the buildings.

7. **Corporate Implications**

7.1 Comment from the Strategic Director (Finance and Housing): Accountancy have been consulted in the writing of this report and have no further comment to add. (AC)

7.2 Comment from the Solicitor to the Council: The Solicitor to the Council has been consulted in the preparation of this report and has no further comments to make. (HR)

7.3 Comment from the Equalities Officer: This report relating to the project to acquire, and where necessary refurbish, 6 properties for affordable rent, under the terms of the Local Authority Housing Fund (LAHF) programme 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)

7.4 Other Officers:

8. **Appendices**

8.1 Appendix 1 – Local Authority Housing Fund Prospectus

9. **Background Papers**

9.1 Cabinet Report – 6th March 2023 PROVISION OF INTERIM HOUSING FOR UKRAINIAN AND AFGHAN REFUGEES VIA THE GOVERNMENT'S LOCAL AUTHORITY HOUSING FUND.

9.2 Decision between meetings – 12th July 2023 PROVISION OF AFFORDABLE HOUSING FOR AFGHAN REFUGEES AND GENERAL NEEDS INTERIM HOUSING VIA THE GOVERNMENT'S LOCAL AUTHORITY HOUSING FUND – ROUND 2.

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