

Subject: ACCEPTANCE OF FUNDING AWARDED FROM THE LOCAL AUTHORITY HOUSING FUND - ROUND 3

Date: 26 March 2024

Decision to be taken by: Helen Lamb, Head of Finance and Investment

Report of: Rachel Collins, Head of Housing

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

Decision Type: Executive Key Decision

Delegated Authority: In accordance with Cabinet Decision CAB 26 of 4 September 2023, the Head of Finance and Investment is authorised as follows:

(b) '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.

(c) '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 (b).'

Classification: Unrestricted

Purpose of the report: To accept capital and revenue grant funding via the Local Authority Housing Fund - Round 3 to facilitate the acquisition of eight properties: three for affordable rent for resettlement accommodation and five for social rent general needs temporary accommodation.

Recommendation:

1. To accept grant funding totalling £1,190,000 from the Department for Levelling Up, Housing and Communities via the Local Authority Housing Fund - Round 3 and acquire properties as required by the grant funding conditions.
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 The Council has previously been awarded £2,029,866 by the first 2 rounds of the Local Authority Housing Fund (LAHF), to provide 16 properties for use by refugees and for temporary accommodation for people facing homelessness in the district.

1.2 On 7th March 2024 the Council was notified by the Department for Levelling Up, Housing and Communities (DLUHC) that an initial funding allocation of £1,191,000 had been awarded to support the provision of an additional 8 properties. A full breakdown of the funding allocated is detailed in the main body of the report.

1.3 In order to accept the funding, the Section 151 Officer is required to submit a Validation Form by 28th March 2024, and the Council needs to enter into a Memorandum of Understanding by 31st May 2024.

2. Introduction and Background

2.1 This is the third round of funding which has been offered by DLUHC via the LAHF. Cabinet has previously approved the delivery of projects and the acceptance of funding via the previous two funding rounds, and these projects are currently being delivered.

2.2 The stated purpose of this third round of funding is to:

- support local authorities to acquire good quality, and better value for money Temporary Accommodation (TA) for families owed a homelessness duty. This will reduce the usage of B&B accommodation and will enable local authorities to grow their housing stock, creating sustainable assets to help manage local housing pressures.
- continue to provide resettlement housing for those on the Afghan Citizens Resettlement Scheme (ACRS). We expect these homes to become available to support wider local authority general housing and homelessness responsibilities after the resettlement needs of the eligible cohort have been addressed.
- Support local housing markets by assisting the delivery of new housing stock or new developments to grow overall housing supply.

2.3 Dover DC received notification from DLUHC on 7th March 2024 to confirm that the Council has provisionally been identified as eligible for capital grant funding (under section 31 of the Local Government Act 2003), with an indicative allocation of £1,191,000 in funding.

3. Requirements

- A minimum of 5 homes for temporary accommodation to meet local housing needs.
- A minimum of 3 homes for Afghan refugees requiring resettlement accommodation, of which one should be a larger property, with 4+ bedrooms.

4. Grant rates

4.1 £124,000 base rate per property

4.2 £220,000 for properties with 4+ bedrooms

4.3 An additional £21,000 per property to account for any other costs, for example refurbishment and conveyancing costs.

4.4 To support delivery, an indicative allocation of £9,000 of revenue funding.

4.5 In addition, local authorities will receive an additional 10% uplift on the grant rate for every unit it indicates that it will deliver via new supply. This means that the grant rate will increase by 10% if a new property is constructed or acquired, as opposed to an existing property being purchased.

5. Identification of Options

5.1 Option 1 - To accept the grant funding and progress the project.

5.2 Option 2 – To not accept the grant funding.

6. Evaluation of Options

- 6.1 Option 1 is the recommended option as it will enable delivery of three properties for affordable rented accommodation for refugees, and five properties for general needs interim accommodation. In addition, revenue funding will be available to support the Council in achieving the aims of the funding programme.

The Portfolio Holder for Housing, Skills and Education has been consulted on the proposals and supports the project.

- 6.2 Option 2 is not recommended.

7. **Resource Implications**

- 7.1 The funding offered is £1,191,000. There is scope for this to increase, as per the 10% uplift for new supply. Capital funding cannot be combined with Affordable Housing Programme funding or Retained Right to Buy receipts, and both the Capital and Revenue funding can only be used for the purposes outlined in the prospectus.

- 7.2 The amount of capital funding offered is insufficient to acquire the properties outright, but the shortfall can be adequately covered by borrowing over 40 years, serviced by the rental income.

8. **Corporate Implications**

- 8.1 Comment from the Section 151 Officer: Accountancy have been consulted in the writing of this report and have no further comment to add (AC)

- 8.2 Comment from the Solicitor of the Council: The Strategic Director (Corporate & Regulatory) (Solicitor) has been consulted during the preparation of this report and has no further comment to make. (LM)

- 8.3 Comment from the Equalities Officer: This report seeking approval to accept the grant funding and progress with the project, 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)

9. **Background Papers**

LAHF Round 3 prospectus [Local Authority Housing Fund: Round 3 prospectus and guidance - GOV.UK \(www.gov.uk\)](#)

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