

Cabinet Report



Listening Learning Leading

Report of Deputy Chief Executive – Transformation and Operations

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Wards affected: All

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To: CABINET

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Local Authority Housing Fund 2 (LAHF 2)

Recommendations

- (a) To accept the Department for Levelling Up, Housing and Communities (DLUHC) grant of £768,000 (indicative LAHF 2 allocation) to deliver 4 homes that meet the eligibility criteria outlined within the Local Authority Housing Fund 2 prospectus, and to delegate authority to the Deputy Chief Executive – Transformation and Operations to sign the Memorandum of Understanding with DLUHC, which sets out the understanding between both parties for the use of funding.
- (b) To recommend to Council an addition to the approved capital programme of £1.920 million, part funded by LAHF 2 funding of £768,000 to purchase 4 homes under this scheme.

Purpose of report

1. To enable an additional decision to be taken to allow the council to accept additional grant funding which has been made available under LAHF 2 since the main Cabinet report was published. This will further support the provision of housing for the council's refugee accommodation programme, but unlike the LAHF1 scheme, the LAHF2 scheme also allows the council to utilise the accommodation for general homelessness use.

Background

2. On 9 March 2023, Cabinet members received an update on DLUHC's £500 million capital fund – the Local Authority Housing Fund. The purpose of this fund is for local authorities in England to acquire and/or refurbish property in order to provide

sustainable housing for families with housing needs who have arrived in the UK via the Ukrainian and Afghan resettlement and relocation schemes only. Cabinet approved acceptance of the proposed DLUHC grant of £3,756,708 (total allocation) to deliver 23 homes that meet the eligibility criteria outlined within the LAHF 1 prospectus, and authority was delegated to the Deputy Chief Executive Transformation and Operations to sign the Memorandum of Understanding (MoU) with DLUHC.

3. On 7 June 2023, DLUHC launched round 2 of LAHF funding, with the deadline for confirming interest in participating in LAHF 2 of 5 July 2023. South Oxfordshire District Council was provisionally identified as eligible for capital grant funding (under section 31 of the Local Government Act 2003), with an indicative allocation of £768,000 in funding. The expectation is to provide a minimum of 3 homes for the resettlement element and a minimum of 1 home for the temporary accommodation element. As with LAHF1, Government funding equates to 40% of total capital costs plus £20,000 per property to account for other costs including refurbishment. However, the LAHF2 the grant rate per property for your local authority is £150,000 (based on median property prices in your area) plus £20,000 per property. The first tranche of LAHF 2 funding (30%) will be paid in July/August 2023 and the second tranche of funding (70%) will be paid in October/December 2023.
4. The Government outlined that the funding is to be used to:
 - Provide sustainable housing to those on Afghan resettlement schemes at risk of homelessness so that they can build new lives in the UK, find employment and integrate into communities;
 - Reduce local housing pressures beyond those on Afghan resettlement schemes by providing better quality temporary accommodation to those owed homelessness duties by local authorities;
 - Reduce emergency, temporary and bridging accommodation costs;
 - Reduce impacts on the existing housing and homelessness systems and those waiting for social housing.
5. The Deputy Chief Executive – Transformation and Operations completed the required validation form on 28 June 2023 expressing an interest in the funds, and on 29 June 2023 received confirmation that the council's validation form had been approved. Delegated authority to the Deputy Chief Executive – Transformation and Operations is now being requested to sign the Memorandum of Understanding (MoU) with DLUHC, and include the provision of the 4 homes in the delivery arrangements outlined within the 3 July 2023 Cabinet report titled 'Delivery and management arrangements for council-provided LAHF and SFA housing', noting the risk, financial and legal implications outlined in that report.

Financial implications

6. Entry into the MoU does not in itself commit the council to additional capital or revenue expenditure at this stage. However, to progress the purchase of the additional houses required under this scheme requires an addition to the approved capital programme of £1,920,000, part funded from the £768,000 LAHF2 funding. Cabinet recommends to Full Council that this additional budget allocation be made.

7. The financial modelling exemplified in the Cabinet report of 3 July 2023 identified the costs has not been extended to these purchases but, as identified in that report, a decision to proceed with these purchases is expected to either reduce a potential overspend on the council's temporary accommodation budget or to result in an underspend, with the reduction in temporary accommodation costs expected to be greater than the cost of funding the scheme.

Legal implications

8. There are no additional legal implications related to these additional recommendations. The LAHF2 process has moved very quickly and in the timescale between the publication of the substantive Cabinet report and the date of the Cabinet meeting. It is in order for Cabinet to consider this as an urgent addendum to the report and, as the financial aspects are a matter for full Council, there will be sufficient notice for the public and press of the report to Council in accordance with the requirements of the Local Government Act 1972.

Conclusion

9. Cabinet is asked to accept the Department for Levelling Up, Housing and Communities (DLUHC) LAHF 2 grant of £768,000 and delegate authority to the Deputy Chief Executive – Transformation and Operations to sign the Memorandum of Understanding with DLUHC, and include the provision of the 4 homes in the delivery arrangements for council provided LAHF housing.

Appendices

Appendix One – DLUHC LAHF 2 prospectus