

WEST NORTHAMPTONSHIRE COUNCIL CABINET

13 June 2023

CABINET MEMBER WITH RESPONSIBILITY FOR HOUSING, CULTURE AND LEISURE - COUNCILLOR ADAM BROWN

Report Title **Decision taken by the Leader of the Council under urgency procedures: Approval for the Council to enter into an agreement with the Department for Levelling Up, Housing and Communities to enable the acquisition of 30 homes during 2023-24 through the Local Authority Housing Fund (LAHF) programme.**

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List of Approvers

Monitoring Officer	Catherine Whitehead	17/05/23
Chief Finance Officer (S.151)	Martin Henry	17/05/23
Other Director	Jane Carr	26/05/23
Communications Lead/Head of Communications	Becky Hutson	17/05/23

List of Appendices

Appendix A – Record of Decision by the Leader in relation to approval of for the Council to enter into an agreement with the Department for Levelling Up, Housing and Communities to enable the acquisition of 30 homes during 2023-24 through the Local Authority Housing Fund (LAHF) programme.

1. Purpose of Report

1.1. This report seeks to notify Cabinet of the decision taken by the Leader of the Council to approve

the Council to enter into an agreement with DLUHC to enable the acquisition of 30 homes during 2023-24 through the Local Authority Housing Fund (LAHF) programme.

2. Executive Summary

- 2.1 The Local Government Act 2000 Section 9E provides that the Leader of the Council can take any executive decision alone or with his Cabinet. In West Northants the vast majority of Executive decisions, not otherwise delegated, are taken collectively by the Leader and Cabinet together but in cases of urgency the Leader of the Council can take decisions where it is necessary.
- 2.2 This report relates to an urgent decision that was made in relation to the Local Authority Housing Fund.
- 2.3 On 22nd December 2022 the Department for Levelling Up, Housing and Communities (DLUHC) announced the Local Authority Housing Fund (LAHF), a capital funding programme for local authorities in England to provide accommodation to families with housing needs who have arrived in the UK via Ukrainian and Afghan resettlement schemes.
- 2.4 The Council was assessed and chosen as one of the 182 local authorities in England to be offered funding from the LAHF based on data and calculations from Ukrainian arrivals and its associated housing pressures on the local area. An indicative funding allocation of £3,731,000 was offered to West Northamptonshire Council to obtain and refurbish 30 additional homes during 2023 for those unable to secure their own accommodation who are here under the Ukrainian and Afghan resettlement schemes.
- 2.5 DLUHC required local authorities to make decisions relating to the LAHF programme quickly with an expression of interest and indicative plan on how they could deliver the allocated funding required to be submitted to DLUHC during week commencing 23rd January 2023 and the Chief Finance Officer (S.151) had to sign a Memorandum of Understanding with DLUHC to draw down the LAHF funding allocation by 15th March 2023. These timescales and deadlines gave officers very limited ability to work up a detailed proposal with partners and get approval by Cabinet through the regular process therefore an urgent decision was required.

3. Recommendations

- 3.1 That Cabinet note the decisions taken by the Leader of the Council set out at Appendix A.

4. Reason for Recommendations

- 4.1 To publish and note the decisions taken for urgency by the Leader of the Council without Cabinet. In the interests of transparency, the decision is reported to Cabinet for awareness.
- 4.2 The decision taken provided the authority for the Council to enter into an agreement with DLUHC to draw down allocated funding and progress with the acquisition of 30 homes during 2023-24 through the Local Authority Housing Fund (LAHF) programme within the necessary timescales.

5. Report Background

- 5.1 The Local Authority Housing Fund (LAHF) is a capital fund introduced by the Department for Levelling Up, Housing and Communities (DLUHC) in supporting authorities in England to provide accommodation to families with housing needs who have arrived in the UK via Ukrainian and Afghan resettlement and relocation schemes. The LAHF prospectus can be found here: <https://delta.communities.gov.uk/document-repository/public/download?uri=/document-repository/Local-Authority-Housing-Fund-Prospectus-Final.pdf>
- 5.2 As outlined above, A LAHF funding allocation of £3,731,0000 was offered to the Council. The funding was allocated to West Northamptonshire Council specifically to obtain and refurbish 30 homes during 2023 for those unable to secure their own accommodation who are here under Ukrainian and Afghan resettlement schemes.
- 5.3 The Prospectus sets out the purpose of the funding is to:
- Ensure recent humanitarian schemes (Afghan and Ukraine schemes) which offer sanctuary, via an organised safe and legal entry route to those fleeing conflict, provide sufficient longer-term accommodation to those they support.
 - Support areas with housing pressures which have generously welcomed substantial numbers of Ukrainian refugees so that these areas are not disadvantaged by increased pressures from these arrivals on the existing housing and homelessness systems.
 - Mitigate the expected increased pressures on local authority homelessness and social housing resources which arise from the eligible cohort as sponsorship/family placements/bridging accommodation arrangements come to an end by increasing the provision of affordable housing to those in the cohort who are homeless, at risk of homelessness, or in bridging accommodation.
 - Utilise accommodation solutions to enable effective resettlement and economic integration of the eligible refugees.
 - Reduce emergency, temporary and bridging accommodation costs.
 - Deliver accommodation that as far as possible allows for the future conversion of housing units to support wider local authority housing and homelessness responsibilities to local residents (UK nationals) e.g. after usage by this cohort ends.
 - Reduce impacts on the existing housing and homelessness systems and those waiting for social housing. The potential for LAHF to help address immediate pressures relating to resettlement schemes and in the longer-term help build a sustainable stock of affordable housing to meet local housing need prompted WNC to consider utilising the fund.
- 5.4 WNC was identified as eligible for capital grant funding (under section 31 of the Local Government Act 2003), with the following indicative allocation:
- Main element: £2,590,000 for a minimum of 25 homes.
 - Bridging element: £1,141,268 in funding for a minimum of 5 larger 4+ bedroom homes to be allocated to households currently residing in bridging accommodation.

- The funding includes £20,000 per property for refurbishment and other costs
- The total grant allocation is £3,731,000
- the indicative funds are to be split between the financial years 2022/23 and 2023/24
- timescale for delivery of the programme is by 30 November 2023

5.5 The Council and its Registered Provider partners are required to provide funding for the remaining costs for delivery. Under the scheme between 40% and 50% capital funding is provided towards property purchases. Therefore, either the Council or Registered Provider (RP) partners will need to identify between 50% and 60% match capital funding to support this programme. It is proposed that match funding will be either funding from the Housing Revenue Account (HRA) or funding from Registered Provider partners to purchase the 30 properties, of which 25 are to be allocated for Ukraine and Afghan refugee households; and 5 larger (4 Bedroom +) properties are to be allocated to Afghans in bridging accommodation.

5.6 Properties acquired will become available to support the wider local authority general housing and homelessness responsibilities after the immediate needs of the eligible cohort have been addressed.

5.7 This programme needs to be delivered at pace given the requirement to deliver the additional homes during 2023. Therefore, DLUHC required local authorities to submit an expression of interest during week commencing 23rd January 2023 with an indicative plan on how it could deliver the allocated funding and then sign a Memorandum of Understanding in March 2023.

5.8 The LAHF proposal that was submitted by WNC outlined a hybrid method to achieve the number of acquisitions required by the programme with a combination of:

- Capital funding from the LAHF passported to RP partners to fund and acquire as many of the 30 properties as possible within the parameters of the scheme by the 30th November 2023; and
- Capital funding from the LAHF and Council HRA Borrowing to acquire any shortfall of properties required to meet the 30 property target should RP partners not be able to deliver the whole programme by the 30th November 2023.

5.9 A report was produced and presented to Capital Assets Board (CAB) on the 14 February 2023 seeking support for:

- the Council to enter into an agreement with the Department for Levelling Up, Housing and Communities to enable the acquisition of 30 homes during 2023-24 through the Local Authority Housing Fund (LAHF) programme.
- the proposal that the properties acquired through LAHF programme will be a combination of units purchased by RP partners with the remainder of units being new council homes acquired through the Housing Revenue Account.

Capital Assets Board also recommended that the Board is engaged should units need to be acquired through the HRA so that consideration can be given to how the Housing Revenue Account Capital finances LAHF purchases.

5.10 The Capital Assets Board report included some indicative financial modelling for a hybrid delivery solution should RP partners not be able to find opportunities to acquire the full quota of 30

properties. If the Council were to deliver 35% of the units through the Housing Revenue Account this will require match funding of 60% or more by the Council. Based on modelling of acquiring 9 properties in the Main Element of the programme and 2 properties in the Bridging element of the programme, £1.6 million match funding from the Council would be required for this scenario.

- 5.11 It should be noted as stated above, the Council will work with RP partners to maximise the delivery of units through them. The use of RPs to deliver the programme will involve 'passporting' grant funding to the RP for them to deliver the number of units agreed. It should be noted on this delivery method: the council would need to put a Memorandum of Understanding in place with RPs to ensure compliance with funding conditions; the council would retain nomination rights on the acquired dwellings; there is no budget matching requirement on the Council. The RPs will match fund from their own resources.
- 5.12 Regular reporting to CAB of the LAHF programme will keep the programme under review. Should RPs not be able to deliver the whole of the programme then Capital Assets Board will consider this but as it is not a decision-making body and any recommendations for additional budget will require approval from Cabinet. However, existing approved budgets may be able to be utilised.

6. Issues and Choices

- 6.1 The decision taken was necessary to meet the tight DLUHC deadlines for LAHF and not lose the opportunity to secure this capital funding.

7. Implications (including financial implications)

7.1 Resources and Financial

- 7.1.1 The delivery of the LAHF Programme will be funded through government funding, external finance from Registered Provider partners and HRA Capital Programme funded should the Council need to make some acquisitions.
- 7.1.2 Expenditure relating to this programme will be monitored by Finance and the Capital and Assets Board.

7.2 Legal

- 7.2.1 The Local Government Act 2000 Section 9E provides that the Leader of the Council can take any executive decision alone or with his Cabinet. In West Northants the vast majority of Executive decisions, not otherwise delegated, are taken collectively by the Leader and Cabinet together but in cases of urgency the Leader of the Council can take decisions where it is necessary.
- 7.2.2 This report is required to ensure that the Council complies with its constitution in making key decisions relating to securing external funding and the Council's capital assets, even when they are under the management of Northampton Partnership Homes. The Chair of the relevant Overview and Scrutiny Committee has been consulted

7.3 Risk

7.3.1 Funding for this programme and progress against budgets will be closely monitored by CAB on a regular basis and also Cabinet through budget monitoring reports should the council need to make some acquisitions and therefore use some council resources.

7.4 Consultation and Communications

7.4.1 Extensive consultation with Futures Housing Group and Grand Union Housing Group regarding their willingness and ability to support the Council in delivery of this programme. The Housing Strategy & Partnerships Team have also discussed opportunities with other key RP partners who are developing in the area to see if they could contribute towards delivery of the programme as well.

7.5 Consideration by Overview and Scrutiny

7.5.1 The Chair of People Overview and Scrutiny Committee was consulted as part of the urgency decision process.

7.6 Climate Impact

7.6.1 No specific climate impacts.

7.7 Community Impact

7.7.1 The LAHF acquisitions will be focused on localities where there is a good level of service provision e.g. shops and public transport links and existing community hub activities focused on resettlement.

8. Background Papers

8.1 None