

This report will be made public on 6 March 2023

Report Number **C/22/97**

To: Councillor David Godfrey, Cabinet Member for Housing and Special Projects
Date: 14 March 2023
Status: Key Decision
Responsible Officer: Andy Blaszkwicz
Cabinet Member: Councillor David Godfrey, Cabinet Member for Housing and Special Project

SUBJECT: LOCAL AUTHORITY HOUSING FUND

SUMMARY:
REASONS FOR RECOMMENDATIONS:

The Cabinet Member for Housing and Special Projects is asked to consider urgently the matters raised in this report to enable the Council to take up the Government's offer of £1.2m of Local Authority Housing Fund (LAHF) grant. The funding will facilitate the purchase of ten properties to temporarily accommodate Ukrainian and Afghan refugees. The timeframe for the Council to confirm that it wishes to accept the grant funding is very short and it is required to submit a Memorandum of Understanding to the Government by 15 March 2023.

REASONS FOR RECOMMENDATIONS:

The Cabinet Member for Housing and Special projects is asked to consider urgently the matters raised in this report, to enable the Council to take up the Local Authority Housing Fund grant resources. The Council is required to submit a Memorandum of Understanding to the Government by 15 March 2023.

RECOMMENDATIONS:

1. To receive and note this report.
2. To confirm that the Council should submit the signed Memorandum of Association and participate in the LAHF initiative and purchase the ten properties.
3. That the Individual Cabinet Member decision be reported to Cabinet at the earliest opportunity.

1. Introduction & Background

- 1.1 The Government has recently announced details of a national £500million scheme to enable local authorities to purchase properties in their area to accommodate both Ukrainian and Afghan refugee households for an initial period of 3 years. The properties will form part of the Council's Housing Revenue Account and can subsequently be used to accommodate households from the Council's housing waiting list.
- 1.2 The Council has been allocated a provisional grant sum of £1.2million to facilitate the purchase of ten properties in the districts. Nine of the properties are required to be 2- or 3-bedroom homes and one is required to be a 4-bedroom home.
- 1.3 The grant will be paid in 2 tranches, the first (30%) in March 2023 and second tranche (70%) during 2023/24 as property purchases are completed. The grant covers 40% of the purchase price for 2/3-bedroom properties and 50% in the case of the 4-bedroom property. The Government will also be providing an additional £20k grant per property to cover any additional costs incurred, including stamp duty and costs to get the property ready for occupation.
- 1.4 The Council is expected to fund the remaining acquisitions costs through its own resources. This is expected to be in the region of £1.2M-£1.5M. It is proposed that the Council should utilise the following existing resources:
 - The Council's Housing Revenue Account agreed new build and acquisition resources.
 - Ukrainian households grant assistance funding held by the Council (received from central Government).
 - Affordable housing developer contributions held by the Council.
- 1.5 The Council is required to complete all the property purchases by 30th November 2023. An initial review of the local market has shown there are several suitable properties currently available, and it is fully anticipated that other viable properties will become available over the coming months.
- 1.6 The timeframe for the Council to confirm that it wishes to accept the grant funding is extremely short and it is required to submit a Memorandum of Understanding to the Government by 15 March 2023.

2. RISK MANAGEMENT ISSUES

- 2.1 A summary of the perceived risks is as follows:

Perceived risk	Seriousness	Likelihood	Preventative action
The scheme cannot be delivered within resources available to the Council.	Medium	Low	The proposed resources are set out in section 1.4 of this report. The grant funding from Government will cover 40-50% of the property acquisition costs. Once the final resource allocation has been determined a report to Full Council will be required.
The Council is unable to acquire the properties within the agreed timeframe.	Medium	Low	Officers will regularly review the local market to identify viable properties.

3. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

3.1 Legal Officer's Comments (NM)

There are no legal implications arising directly from this report. The MOU is not a binding but sets out the understanding between the parties for the use of the funding. Legal Services will review the MOU and advise accordingly.

3.2 Finance Officer's Comments (CS)

This report only seeks approval to enter into a MOU to be part of this initiative. The resource package for the required match funding, anticipated to be in the region of £1.2-£1.5m still needs to be finalized. It is likely to be met from the resources identified in 1.4 of this report. A decision on funding will need to be considered by Full Council in due course for its incorporation in the HRA Capital Programme.

3.3 Diversities and Equalities Implications (AH)

The properties purchased through this scheme will be specifically (initially) be made available as homes for refugee households from Ukraine and Afghanistan.

3.4 Climate Change Implications (AH)

No implications arising directly from this report. Wherever possible, the Council will work to improve the energy efficiency of the properties purchased.

4. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officers prior to the meeting.

Adrian Hammond, Lead Specialist, Strategic Housing
Telephone: 01303 853392
Email: adrian.hammond@folkestone-hythe.gov.uk

The following background documents have been relied upon in the preparation of this report:

None.