

## **CABINET**

<b>DATE</b>	17 <sup>th</sup> July 2024
<b>REPORT OF</b>	Councillor Philip Jackson, Leader of the Council and Portfolio Holder for Economy, Regeneration, Devolution and Skills
<b>RESPONSIBLE OFFICER</b>	Helen Isaacs – Assistant Chief Executive
<b>SUBJECT</b>	Local Authority Housing Fund 3 (LAHF3)
<b>STATUS</b>	Open
<b>FORWARD PLAN REF NO.</b>	CB 07/24/01

### **CONTRIBUTION TO OUR AIMS**

The project recommendations contribute towards the North East Lincolnshire Council's safer communities, priority, focusing on providing accommodation for residents so they can 'Live in a safe environment, can have their say about things that are important to them and participate fully in their communities', 'Enjoy good health and wellbeing' as well as linking in with existing projects to 'Reach their full potential through skills and learning'.

The funding allocation supports the 'Strategic Housing Plan' specifically around 'preventing and reducing homelessness by diversifying and improving the temporary 'move on' accommodation offer for those in genuine housing need' and could address some of the plans to reduce empty properties within the community – Empty Property Strategy.

### **EXECUTIVE SUMMARY**

In a collaboration with the Home Options Service and the Housing team, the Refugee Integration Service would like to accept an allocation of Department of Levelling Up, Housing and Communities grant funding of £342,400 under the Local Authority Housing Fund 3 to purchase 4 properties for the purpose of Afghan resettlement and to meet its homelessness duties.

The report seeks approval to accept the allocation of grant funding.

### **RECOMMENDATIONS**

It is recommended to Cabinet that:

1. North East Lincolnshire Council enter into a Memorandum of Understanding with the Department for Levelling Up, Housing, and Communities (DLUHC) based on the prospectus for the Local Authority Housing Fund Round 3 (See 13.2)
2. Authorises the Assistant Chief Executive in consultation with the Leader of the Council and Portfolio Holder for Economy, Regeneration, Devolution and Skills to accept the sum of £342,400 from the Local Authority Housing Fund 3.

3. Authority is delegated to the Assistant Chief Executive in consultation with the Leader of the Council and Portfolio Holder for Economy, Regeneration, Devolution and Skills to authorise agreement to the MoU with DLUHC under which the grant will be accepted.
4. Delegates authority to the Assistant Chief Executive in consultation with the Leader of the Council and Portfolio Holder for Economy, Regeneration, Devolution and Skills to subsequently implement such programme and take all actions reasonably arising.
5. Authorises the Assistant Director Law and Governance (Monitoring Officer) to execute requisite documentation arising.

## **REASONS FOR DECISION**

To enable the Council to utilise grant funding specifically to support and enhance the future provision of our homelessness duties. In the short term (2-3 years) the predominant use would be to support Afghan family resettlement and general homelessness prevention. In the long term these properties will become part of the homelessness property portfolio once the Afghan need has been met and will be used to provide quality family properties.

The recommendations will ensure that the opportunity presented by the Local Authority Housing Fund 3 to deliver affordable housing in the borough will be fully realised and will help to relieve pressures on the council's homelessness services.

### **1. BACKGROUND AND ISSUES**

- 1.1 In December 2022, the Department for Levelling Up, Housing and Communities (DLUHC) launched the Local Authority Housing Fund: Round 1 (LAHF R1), an innovative capital fund that supports local authorities in England to obtain housing for those who are unable to find settled accommodation on resettlement schemes. North East Lincolnshire Council were not included in this first round.
- 1.2 In March 2023, it was announced that the Local Authority Housing Fund would be expanded by £250 million for a second round of funding (LAHF R2), with the majority of the additional funding used to house those on Afghan resettlement schemes (ARAP/ACRS) currently in bridging accommodation and the rest used to ease wider homelessness pressures. North East Lincolnshire Council were included but elected not to participate following an internal due diligence process.
- 1.3 In March 2024 DLUHC announced LAHF3. 'Building on the success of these previous rounds, and listening to feedback from local authorities, the Local Authority Housing Fund (LAHF) has been expanded for a third time by £450 million over two financial years to provide local authorities with a longer-term pipeline of support and to unlock more new supply and developments with the

funding’.

1.4 The objectives of LAHF R3 were outlined by DLUHC to:

- Reduce local housing pressures and use of expensive and unsuitable accommodation, providing better quality temporary accommodation to those owed homelessness duties by local authorities.
- Reduce temporary accommodation costs.
- Provide sustainable settled housing to those on ACRS so that they can build new lives in the UK, find employment, and integrate into communities.
- Support local housing markets by assisting the delivery of new housing stock or new developments to grow overall housing supply.

1.5 On the 7<sup>th</sup> March 2024 North East Lincolnshire Council was notified of an indicative allocation of £342,400 in funding. The expectation being that the council would provide a minimum of 3 home(s) 2 regular and 1 large properties for the resettlement element and temporary accommodation element to provide a minimum of 1 home. Unlike previous rounds the council would not be expected to provide a level of contribution and there is no specific percentage ‘match funding’ required.

1.6 After internal consultation and an options assessment through North East Lincolnshire Council’s business development group it is recommended that we progress the project and deliver the 4 properties from the grant allocation.

1.7 The need for suitable housing to meet the homelessness duties has increased post Covid and due to the cost-of-living crisis. The pressures on the service have seen an increased use of B&B accommodation and the recent strategic need to move away to more cost-efficient accommodation as seen with the leasing of Swan House.

## **2. RISKS AND OPPORTUNITIES**

2.1 The LAHF3 allocation provides additional financial support to enhance and facilitate the work which is a requirement under the homelessness duties.

2.2 It supports the commitment to Afghan resettlement schemes and the national pressures for Afghan families requiring relocation following the hotel closures and the number of families displaced in Pakistan who have indefinite leave to remain.

2.3 It supports the Strategic Housing Plan by acquiring properties and facilitating a reduction in B&B emergency accommodation.

2.4 It reduces the need to lease properties by having North East Lincolnshire Council housing stock. Due to the size of the properties required for Afghan families it would provide family properties, creating suitable temporary accommodation options for those presenting as homeless.

2.5 The properties generate revenue in the form of rent which will be utilised for

maintenance and management costs.

- 2.6 Purchasing properties allows North East Lincolnshire Council to have control over the quality and usage of the properties while being more cost effective. This allows a more efficient process for any refurbishment projects and maintenance removing the reliance on external provider(s)/landlord(s) to complete these.
- 2.7 The opportunity to reintroduce empty properties back in to use and support the empty property strategy. This would contribute to improving our new homes calculation bonus.

### **3. OPTIONS CONSIDERED**

- 3.1. Option 1 - Decline the allocation of grant funding.
- 3.2. Option 2 - Accept the initial allocation of funding.
- 3.3. Option 3 - Recalculate and reduce the amount of grant funding.
- 3.4. Option 4 - Outsource externally to a social housing provider.

Given the small number of properties involved, this was not considered to be a cost-effective option.

### **4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS**

The project has both positive and negative potential implications on the Councils reputation. An action plan will be developed with the communications team to address these eventualities.

### **5. FINANCIAL CONSIDERATIONS**

- 5.1. The project will be financed with a grant funding of £342,400.
- 5.2. The delivery of the project feeds into the execution of the homelessness duty and the priority to move away from less suitable and unsustainable temporary accommodation, provide a reduction in cost and offers a better value for money alternative.
- 5.3. Revenue – The properties will be considered as supported accommodation. Housing benefit will be claimed for these families. As supported accommodation additional claims will be made to cover support charges.
- 5.4. Repairs and maintenance costs will be covered through the income received through the programme which provides enhanced payments per family to cover housing costs, support, and other ancillary charges.
- 5.5. Additional revenue streams could be unlocked through the successful delivery

of the project.

- **Flexible Housing Fund** – This can be claimed when an LA actively sources a property and is able to relocate an Afghan family. £7,100 per person as a one-off payment, this can be used for (but not limited to) rental top-ups, landlord incentives, resource, LAHF3 pool funding, and capital projects such as stock acquisition or refurbishment.
- **Integration Tariff** - (£20,520 per person over three years) - Available to councils where an individual or family has settled to allow them to provide ongoing integration support. Under normal circumstances this would be used to fund long term leases and housing, there is a case to use a contribution from this to the LAHF3.

## **6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS**

The project will provide family properties into the homelessness prevention portfolio ensuring that families faced with homelessness are provided with suitable and stable housing.

## **7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

The project will link in with existing provisions through the Refugee Integration Service to provide support on sustainable living which will cover environmental elements of residing in a property including, recycling, energy efficiency. This coincides with the Home Options Service upskilling elements within their homelessness provisions.

## **8. CONSULTATION WITH SCRUTINY**

No consultation with scrutiny has been conducted at this time.

## **9. FINANCIAL IMPLICATIONS**

Section 5 highlights the financial risks and proposed action plan which will be expanded on in the full business case. The project aims to provide a better value for money alternative for future homelessness provisions.

## **10. LEGAL IMPLICATIONS**

- 10.1. Immediate legal implications arising will be around the terms and conditions of the external grant funding and the completion of the proposed memorandum of understanding and ancillary documentation. Legal Services will support this process, ensuring the interests of the Council are protected.
- 10.2. As individual acquisition projects arise throughout the delivery phase Legal Services will continue to support colleagues.
- 10.3. The delegations sought are appropriate for an exercise of this nature

## **11. HUMAN RESOURCES IMPLICATIONS**

There are no direct HR implications

## **12. WARD IMPLICATIONS**

Has the potential to affect all wards.

## **13. BACKGROUND PAPERS**

[Afghan citizens resettlement scheme - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

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

## **14. CONTACT OFFICER(S)**

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