

ADDENDUM TO THE MEMORANDUM OF UNDERSTANDING

Between

Ministry of Housing, Communities and Local Government

-and-

Spelthorne Borough Council

1. Addendum Purpose

- 1.1. This is an addendum to the Memorandum of Understanding agreed between the Ministry of Housing, Communities and Local Government ('MHCLG') and Spelthorne Borough Council ('the Council') on 11/8/2024 ('the MOU') for delivery of the Local Authority Housing Fund – third funding round ('LAHF R3'.)
- 1.2. This addendum outlines the agreement between MHCLG and the Council to increase the delivery target, total allocation and tranche payment allocations outlined in the MOU. This addendum should be read in conjunction with the MOU and does not make changes to any other agreements set out in the MOU.

2. Updated Delivery Target and Funding Allocation

- 2.1. MHCLG has accepted the Council's EOI plan to provide 4 homes under LAHF R3 of which 0 homes shall be new homes, and MHCLG will provide £847,725.
- 2.2. Therefore, the Council will provide a total of 15 homes ('the delivery target') under LAHF R3, of which 7 homes shall be new homes ('the new homes delivery target'), and MHCLG will provide a grant of £2,638,491 ('the total allocation').
- 2.3. The total allocation will be provided as £1,134,756 in 2024-2025 ('the Year 1 allocation') and £1,503,735 in 2025-2026 ('the Year 2 allocation'). The Year 1 allocation includes the revenue grant.
- 2.4. The Council agrees the following targets to deliver at least:

- **5 properties (1 bed)** to be allocated to households that meet the **TA element** eligibility criteria outlined in section 5.1 of the Prospectus.

- 4 + 3 additional properties = 7 total properties to be allocated to households that meet the **TA element** eligibility criteria outlined in section 5.1 of the Prospectus.
- 0 properties (**1 bed**) for households that meet the **R3 resettlement element** eligibility criteria outlined in section 5.2 of the Prospectus.
- 1 + 0 additional properties = 1 total properties for households that meet the **R3 resettlement element** eligibility criteria outlined in section 5.2 of the Prospectus.
- 1 + 1 additional properties = 2 total properties (4+ bed) for households that meet the **R3 large resettlement element** eligibility criteria outlined in section 5.2 of the Prospectus.

2.5. The total allocation comprises the capital grant of £2,624,040 and the revenue grant of £14,451

2.6. The delivery target, the new homes delivery target, the total allocation, the yearly grant split, and capital and revenue grant totals set out at 2.2 to 2.5 replace the figures outlined in 3.1 - 3.5 of the MOU.

2.7. The Council agrees to deliver 5 properties in financial year 2024-25 ('the Year 1 delivery target') and 7 properties in financial year 2025-26 ('the Year 2 delivery target'). The property types that the Council agrees to deliver in each year are outlined in Table 1. This delivery profile and table replace the MOU delivery profile at 5.3.

Table 1 – delivery profile

Property type	Year 1 delivery target (2024-25)	Year 2 delivery target (2025-26)	Total delivery target
TA element 1 bed homes	3	2	5
TA element 2-4+ bed homes	2	5	7

Resettlement element 1 bed homes	0	0	0
Resettlement element 2-3 bed homes	1	0	1
Large Resettlement 4+ bed homes	1	1	2
All property types	7	8	15

2.8. The funding provided by MHCLG in Tranches 1, 2, 3 and 4 and the EOI Year 1 allocation is set out in Table 2. This table replaces Table 2 at 6.2 in the MOU.

Table 2 – Updated funding allocation

	Tranche 1 allocation (capital and revenue)	Tranche 2 allocation	EOI Year 1 allocation	Tranche 3 allocation	Tranche 4 allocation	Total allocation
Total funding	£350,543	£784,214	£0	£751,868	£751,868	£2,638,491

2.9. Where the Council receives any Year 2 capital allocation, payments of Tranche 3 will be made once the Council demonstrates committed spend of 80% of Tranche 1, Tranche 2 and the EOI Year 1 payments in line with your existing MOU. (This updates guidance in 6.4, 9.5 and table 3 of the MOU.)

2.10. Where the Council receives any Year 2 capital allocation, payments of Tranche 4 will be made once the Council demonstrates committed spend of 80% of Tranche 1, Tranche 2, the EOI Year 1 payments, and Tranche 3 in line with your existing MOU. (This updates guidance in 6.5, 9.5 and table 3 of the MOU.)

Addendum signed for and on behalf of MHCLG

Signature:

Name:

Position:

Date:

**Addendum signed for and on behalf of Spelthorne
Borough Council**

Signature:



Name: Linda Heron

Position: Interim Group Head Corporate Governance
and Monitoring Officer

Date: 26/02/2025