



URGENT ACTION TO APPROVE

Local Authority Housing Fund Round 3 Extension Allocation 25 February 2025

In accordance with the Terms of Reference, the Corporate Policy and Resources Committee (CPRC) is to be responsible for decisions to adopt new policies or make changes to previously approved policies, falling outside the Policy Framework, where there are significant budgetary implications.

CPRC is also responsible for decision making where there is a conflict in respect of matters that cross the remits of two or more strategic committees.

The appropriate committee therefore for this decision would be CPRC. However, the next scheduled meeting is on 24 March 2025. Ministry of Housing, Communities and Local Government (MHCLG) have requested an acceptance decision by 5pm Wednesday 26th February 2025.

Delaying the acceptance decision until the next CPRC meeting on 24 March will mean that the Council will be placed at risk and will not receive the further funding allocation from MHCLG.

Background

Since December 2022, there have been several rounds of the Local Authority Housing Fund (LAHF) for local authorities to obtain accommodation for families who have arrived in the UK fleeing the war in Ukraine and those on Afghan resettlement and relocation schemes who supported UK efforts in Afghanistan. LAHF has also been offered to assist local authorities with acquiring more high-quality local temporary accommodation for homeless families owed a homeless duty. Properties acquired by the Council have been subsequently transferred to Knowle Green Estates Ltd (KGE), the Council's wholly owned affordable housing company

The Council has participated and been successfully allocated funding from previous rounds of LAHF, including the most recent round 3 allocation. At the end of December 2024, MHCLG announced an opportunity to reallocate funding from the existing budget (£450m) as part of an extension to round 3. The Council submitted an expression of interest to participate further.

MHCLG has assessed the application and confirmed a final funding allocation on Friday 21st February 2025 for 3 additional units of temporary accommodation (2-4+ bedrooms) and 1 large resettlement home (4+ bedroom). This is in addition to the 11 properties (9 temporary accommodation and 2 for resettlement) already acquired by the Council under LAHF round 3, bringing the overall total up to 15.

As with previous rounds of LAHF, the Council is expected to part fund or finance some of the required capital cost. To reflect on the local housing markets, the temporary accommodation base grant per property is calculated as 40% of the median property price in the council area, for large resettlement properties, the amount of grant per property is calculated as 50%. In addition, £21,000 per property is provided as revenue funding to cover the cost of delivery e.g. refurbishment. MHCLG expect all homes delivered through LAHF to be affordable housing to support wider local authority housing and homelessness responsibilities. A full financial viability analysis will be undertaken before



a decision would be made to progress with acquisition, MHCLG have advised that the Council will receive an additional £847,725 in 2025/26 towards purchasing the additional 4 properties under LAHF round 3.

MHCLG have invited local authorities to make a decision of acceptance by 5pm Wednesday 26th February 2025. A signed Memorandum of Understanding (MOU) for LAHF round 3 (Appendix A) must be signed and returned by 5pm Friday 28th February 2025 to ensure payment in March or by Friday 14th March 2025 to ensure payment by end of April. The deadline for LAHF round 3 delivery is 31st March 2026. Given the success of previous delivery, this deadline is considered realistic.

A report will be presented to the next CPRC meeting and will seek a recommendation to approve property acquisitions and the subsequent transfer to KGE.

The MOU is not intended to create legal or binding obligations. It describes the understanding between the parties for the use of the funding. The directors of KGE will be required to pass a resolution that KGE agree to adhere to the terms of the MOU. The agreed funds will be issued to the Council as grant payments under section 31 of the Local Government Act 2003. The Council may pass on the funding to a third party such as its housing company to purchase the properties complying with the Subsidy Control Act 2022.

It is in the best interests of the Council to utilise the grant funding offered by MHCLG to acquire local temporary accommodation as the Council faces a significant and increased homelessness demand, and private emergency accommodation placements incur substantial costs.

Proposal

The Council to approve the funding allocation from MHCLG and enter into the MOU.

Recommendation

Under Part 3(a) of the Council's Scheme of Delegations... "In order to enable an urgent decision to be made, the Chief Executive has delegated power to take any decision which is so urgent that it cannot wait until the next scheduled meeting of the Council or relevant Committee and where the decision is not in contravention of established policies. In following this procedure, the Chief Executive is required to consult with the relevant Committee Chair and Vice-Chair. The use of such urgent action must be reported to the next relevant Committee meeting".

In light of the urgent need for the MOU to be entered into this decision cannot wait until the Corporate Policy and Resources Committee on 24 March 2025.

Please could you therefore confirm that you will give approval to authorise this urgent action to enter into the MOU with MHCLG. If you are mindful to authorise this action, the Strategic Housing Lead will ensure that the action taken is noted on the Corporate Policy and Resources Committee agenda for its next meeting.

I confirm that I give my delegated authority to take urgent action to agree to the Council approving the funding allocation from MHCLG and for the Interim Group Head of Corporate Governance to enter into the MOU for the reasons summarised in this note. I can confirm that I have consulted with the Chair and Vice Chair of the relevant Committee, and they are in full agreement.



A handwritten signature in black ink, appearing to be 'S. Munn', written over a horizontal line.

Chief Executive

26 February 2025

Date