

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 09 October 2023

Portfolio:	Housing
Subject:	Facilitating the use of the Local Authority Housing Fund
Report of:	Director of Housing
Corporate Priorities:	Providing Housing Choices

Purpose:

To seek Executive endorsement and apply for the Local Authority Housing Fund. This funding will be used to provide three homes for Afghan families and one home for temporary accommodation.

Executive summary:

This report details the Local Authority Housing Fund (LAHF). This a matched funded opportunity to provide three 2-4 bed properties for the resettlement of Afghan families. There is also provision for funding of one temporary accommodation home.

In order to meet the criteria of the funding, the properties must be in the ownership of the Council by 29th March 2024. To expediate the process, all Officers normally involved with procurement of new properties have been briefed on the funding and are investigating procurement avenues.

The Executive is requested to approve the purchases being delegated to the Director of Housing, following consultation with the Executive Member of Housing.

The confidential Appendix details the estimated costs of the matched funding.

Recommendation/Recommended Option:

It is recommended that the Executive:

- (a) approves the use of the Local Authority Housing Fund to provide three homes for Afghan families and one home for temporary accommodation to be held in the Housing Revenue Account; and
- (b) agrees that, following consultation with the Executive Member for Housing, authority for their purchase be delegated to the Director of Housing.

Reason:

To secure Government funding for the provision of accommodation for the resettlement of Afghan families in the UK and to assist with other homeless households.

Cost of proposals:

Further detail around the cost implications is provided in Confidential Appendix A.

The Council's capital match funding will be from sources that meet the LAHF Round 2 criteria, for example eligible S106 cash contributions available for the delivery of Affordable Housing where these may be applied to LAHF acquisitions, or the acquisition element of the HRA Capital Programme budget for 2023/24 approved by the Executive on 6 February 2023.

Appendices:

A: Confidential Appendix – Details of Costs*

* By virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 – information relating to the financial or business affairs of any particular person and category 7A (information which is subject to an obligation of confidentiality) of Schedule 12A Local Government Act 1972 and the Council's Access to Information Procedure Rules.

*It is not in the public interest to publish this information as revealing the budget values would harm the Council's ability to achieve best value in negotiating a favourable price for the purchase of the property. Disclosure of any details prior to any exchange of contracts may result in a weak negotiating position for the Council and potentially jeopardise the successful completion of the transaction.

Background papers: None.

Reference papers: None.

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Executive Briefing Paper

Date:	09 October 2023
Subject:	Facilitating the use of the Local Authority Housing Fund
Briefing by:	Director of Housing
Portfolio:	Housing

INTRODUCTION

1. The Local Authority Housing Fund (LAHF) is in its second round of funding. This iteration of the grant will provide £250 million across the UK to house those on the Afghan resettlement scheme. The aim is to bridge accommodation and help ease wider homelessness pressures.
2. This report details the funding and sets out the intention for the Council to make property acquisitions, utilising this bid funded opportunity. The risks and opportunities are outlined further in this document.

THE LAHF

3. Funding for the first LAHF round was based on need. DLUHC ranked all local authorities in England based on the number of individuals in bridging hotels in their borough. The areas with the most pressures were prioritised. The remaining funding was then ringfenced for round 2. In this round, local authorities were invited to express an interest for the funding and were then ranked as per round 1.
4. The LAHF has identified the Council as eligible for matched funding for the capital costs of purchasing four properties. Three of these homes are for Afghan families and one can be for temporary accommodation. All properties need to be family sized; between 2-4 bedrooms. The Council will be seeking one 2bed property, the remaining will be 3 or 4 bedrooms.
5. The funding also allows for a nominal amount per property to account for additional costs. This may include refurbishment, energy efficiency measures, legal and survey costs, decoration or furnishings. The Council will look to acquire properties that need the minimum amount of renovation; however, this will be dependant on availability. Should the additional fund not be used, for example if a new property is purchased, it can be spent against the purchase costs.

PURCHASE

6. The LAHF allows for properties to be purchased flexibly. This can be either 'off the shelf' or a Right-to-Buy buy-back. There is no indication of a preferred approach at this stage, as it will be dependent on any buy backs being offered to the Council and the condition of the property. The properties will be held in the Housing Revenue Account.
7. The main concern in the purchase will be value for money, but it will not be the sole consideration. It will be important for the properties to be in good condition, of an appropriate size and location. They also need to be suitable for a family with potentially complex requirements. A sensible decision around the purchase of any of the properties will be made in partnership with other departments in the Council. This multi-disciplined approach will consist of the Finance Business Partner, the Housing Manager (Accommodation and Allocations), the Housing Surveyors and the Asset Management team. All play a crucial role in ensuring any purchases meet the Council's standards.
8. To meet the funding requirements, the properties must be in the ownership of the Council by 29 March 2024. To ensure this, the teams are already making preparations. Appropriate properties will be sourced in a similar manner to that of a private buyer; through an estate agent on the open market and surveyed as standard. If a Right-to-Buy buy-back opportunity is available, this will be explored.
9. It is crucial this project is delivered efficiently and within the timescales of the funding. Therefore, Executive approval is sought for the Director of Housing to have delegated authority to agree the purchase of the 4 properties. This will be following consultation with the Executive Member for Housing.

SUPPORTING THE FAMILIES

10. The prospective Afghan families will have moved from bridging accommodation and been allocated by the Hampshire County Council Resettlement Team in conjunction with the Home Office. Support for the families will be delivered by Hampshire County Council through an arrangement with Two Saints. This is a similar arrangement that the Council has with other temporary accommodation properties in our portfolio.
11. Officers will focus the search for appropriate properties in areas where Fareham Housing already have a strong presence. This will facilitate our ability to provide support and management of the homes.

POSITIVE OPPORTUNITY

12. The 1No. property that can be purchased specifically for temporary accommodation will be an important addition to much needed family sized temporary housing in the Borough. The bid funding to support this purchase can only come alongside the 3No. properties for the Afghan family resettlement programme. Collectively these properties will provide an important opportunity to (a) support the Afghan family resettlement programme; and (b) help to provide much needed family sized temporary accommodation for Fareham families.
13. Should the 3No. homes to support Afghan families not be taken up/allocated to, then officers would hope that these could then be used by the Council for further temporary accommodation for Fareham Borough housing need. Further information is due from the government to confirm whether this is possible (see paragraph 14).

RISKS

14. This project has some low risk which can be mitigated. It is unlikely, but still possible that a family is not matched to Fareham. If this is the case, there is an alternative use policy being finalised by the Home Office.
15. Another risk may be that the properties could be empty for a prolonged period whilst the allocations process takes place. The Council must pay Council Tax on its stock, regardless of occupancy. No properties will be purchased until the grant funding money has been secured and void costs will be paid for 56 days. Any voids longer than this will require a claim to be made.

Enquiries:

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