

Public
Key Decision – Yes

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Local Authority Housing Fund Round 3

Meeting/Date: Overview and Scrutiny Committee (Environment, Communities and Partnerships) 11th July 2024.

Executive Portfolio: **Executive Councillor for Economy, Regeneration and Housing – Sam Wakeford, and Executive Councillor for Resident Services and Corporate Performance – Stephen Ferguson**

Report by: Pamela Scott – Regeneration and Housing Delivery Manager, Jon Collen Housing Needs and Resources Manager and Claudia Deeth Community Services Manager

Ward(s) affected: All

Executive Summary:

This report is to seek a recommendation as to whether Huntingdonshire District Council (HDC) should accept funding from the Local Authority Housing Fund (LAHF) to facilitate the acquisition of 4 homes under the Afghan Citizens Resettlement Scheme (ACRS).

The report seeks approval to work with a Registered Provider (RP) to acquire the homes on the Council's behalf for ACRS households and for the Council to provide support for these residents directly through the Council's Community Team.

Recommendation(s):

1. That Huntingdonshire District Council confirm its participation in the Local Authority Housing Fund Round 3 (LAHF R3) and to future LAHF rounds subject to finding a Registered Provider(s) willing to work with the Council to deliver the homes.
2. Delegate the signing of all documents in relation to the LAHF R3 and any subsequent rounds of funding to the Corporate Director of Place and the Regeneration and Housing Delivery Manager in consultation with the Executive Councillor for Economy, Regeneration and Housing.

3. Agree that the Council provide support to the residents either directly through the Community Team; or in directly through another body; and be responsible for the processing of any grant claims associated with these households under Government grant schemes.
4. Delegate the signing of all documents that enable the Council to accept Government Funding and to use that funding to facilitate the delivery of affordable housing to the Corporate Director of Place and the Regeneration and Housing Delivery Manager in consultation with the Executive Councillor for Economy, Regeneration and Housing .

1. PURPOSE OF THE REPORT

- 1.1 To provide information on the Government's Local Authority Housing Fund and to seek approval to take part in the scheme.
- 1.2 To seek reasonable delegations in relation to the delivery of affordable housing in the district so that we can act quickly when opportunities occur especially for the Council to accept funding from Government Agencies including but not limited to DLUHC, Cambridgeshire and Peterborough Combined Authority and Homes England.

2. BACKGROUND

Local Authority Housing Fund Round 1

- 2.1 Huntingdonshire District Council (HDC) was notified by the Government on the 22 December 2022 that it had been allocated a total of £2,480,058 of Local Authority Housing Fund Round 1 (LAHF R1) funding. The aim of this funding was to acquire a total of 4000 new homes across the country in addition to the normal affordable housing supply. A total of £500 million has been provided to 182 Local Authorities and the Greater London Authority to purchase the properties. The households targeted were those currently in the UK living with hosts under the Family Visa and Homes for Ukraine schemes and Afghan families that were in bridging hotels under the Afghan refugee schemes.
- 2.2 The funding was split between financial years 2022/23 (30%) and 2023/24 (70%). DLUHC assumed that most delivery would be via stock acquisition, either directly or through partnership arrangements. HDC was awarded £2,052,000 (known as the main element) to deliver a minimum of 19 homes – for families accommodated under the Ukrainian schemes and £428,058 (known as the bridging element) to deliver a minimum of 2 larger 4+ bed home(s) to be allocated to households currently residing in bridging accommodation.
- 2.3 The Council undertook an options appraisal and concluded that we did not want to acquire the units direct and become a social landlord, but our preferred approach would be to work with a Registered Provider (RP) to secure the homes. The Council appointed Stonewater following their Board agreeing to work with the Council on the 10th March 2023.
- 2.4 The Council has been delivering the scheme with Stonewater and has completed a total of 16 homes, a further two properties have been identified and are progressing through the legal process and a further three are being sourced.
- 2.5 Some Councils whilst delivering LAHF R1 offered to deliver additional homes in excess of their original allocation, this was known as Round 2, Huntingdonshire Council chose to remain with our original allocation as we were unsure at the commencement of the scheme whether we would be able to fulfil the original allocation given that this was new activity for the Council.

- 2.6 The delivery of Round 1 of this fund has been difficult due to the cost of property in the district; most properties have either been sourced in the north of the district or just into Peterborough (discussions and agreement have been reached with Peterborough City Council) or in bulk acquisition in St Neots. The financial parameters of this programme have made it extremely difficult for Stonewater to secure properties using the level of grant permitted for each home. As part of the current programme, and to assist with the affordability issue, the Council has supported acquisitions with a total of £7,500 per home from Affordable Housing Commuted sum funds.

Local Authority Housing Fund Round 3

- 2.7 In the Autumn Statement 2023 DLUHC announced that they would be launching a third round of the Local Authority Housing Fund, to the value of £450 million, to run over the financial years 2024-25 and 2025-26. There would also be revenue funding available to support delivery of the fund unlike Round 1.
- 2.8 Huntingdonshire has been advised that we have received an initial funding allocation of £614,400 to acquire a total of four homes. The third round of the Local Authority Housing Fund (LAHF R3) aims are to:
- Support local authorities to acquire good quality, and better value for money Temporary Accommodation (TA) for families owed a homelessness duty.
 - Continue to provide resettlement housing for those on the Afghan Citizens Resettlement Scheme (ACRS).
 - support local housing markets by assisting the delivery of new housing stock or new developments to grow overall housing supply.
- 2.9 The amount of £614,400 awarded to HDC is capital grant funding (under section 31 of the Local Government Act 2003). This funding requires us to deliver a minimum of 1 home for the Temporary Accommodation element, to provide a minimum of 2 homes for the resettlement element and to provide a minimum of 1 home for the large resettlement element. This is based on the median property price in our area of £312,000. To support delivery, we have also been provided with an indicative allocation of £4,550 of revenue funding.
- 2.10 For the large resettlement element the grant element can be up to 50% of median property prices in the area, for the remaining three properties (1 TA element and 2 resettlement element) the grant element can be up to 40% of median property prices.
- 2.11 The Scheme objectives are as follows:
- Reduce local housing pressures by providing better quality temporary accommodation to those owed homelessness duties by local authorities;
 - Reduce emergency and temporary accommodation costs;

- Provide sustainable housing to those on the Afghan Citizens Resettlement Scheme (ACRS) at risk of homelessness, so that they can build new lives in the UK, find employment and integrate into communities;
- Reduce impacts on the existing housing and homelessness systems and those waiting for social housing; Support local housing markets by assisting the delivery of new housing stock or new developments to grow overall housing supply;

DLUHC have confirmed that they are happy for Local Authorities to work with housing associations, especially if they are the most appropriate delivery vehicle. An expression of interest to participate in the scheme was returned to DLUHC by their deadline of 28 March 2023. This is not binding on the Council as the Council would be required to enter into a Memorandum of Understanding (MOU) to receive the funds.

Support of Residents

- 2.10 In terms of the support provided to households being accommodated through the Afghan resettlement schemes under LAHF1, HDC partnered with Peterborough City Council (PCC) who had already commissioned a support service for households in their own area. That service now supports the two Afghan households that have moved into the properties secured under LAHF1 plus a further 8 Afghan households that we have helped resettle in the HDC area under our commitment to support the Afghan schemes. The type of support offered has ranged from sourcing furniture through to helping families secure school places for their children. Through existing strong and positive relationships with the community and voluntary sector, they have been willing to provide hands on assistance to ensure that the families have settled and integrated into the communities.
- 2.11 PCC have advised that the support service is at maximum capacity and so are not able to assist with supporting any further Afghan families in the HDC area.
- 2.12 Other options are now being considered and this includes utilising the strong working relationships that the Community Team has with partner agencies as well as the community and voluntary sector to in turn be able to offer direct support to Afghan families being housed under the third round of funding. Alternatively, a neighbouring authority has indicated that they would have capacity to deliver the support officer.

3. OPTIONS CONSIDERED

- 3.1 HDC could decide not to sign up to deliver LAHF 3 – the Council would lose the ability to support the initiative and increase affordable housing supply by four additional dwellings, this could result in Government becoming less supportive to HDC on the demand for people seeking housing through homelessness and the possibility of being considered for future funding opportunities. This activity also supports the Council's Corporate Plan aims of influencing and enabling the delivery of affordable

housing especially in partnership with Housing Associations (Registered Providers).

- 3.2 HDC could continue to work with Stonewater Housing Association to deliver 3 units under this funding programme, Stonewater do not have temporary accommodation in the district; and it is therefore felt not suitable to seek the one temporary unit with them but look for an alternative housing association. We are currently waiting on the outcome of a Board Meeting in June 2024 to confirm whether Stonewater are able to work with the Council. At the same time the Council has also approached HOME group to see if they are interested in working with us to deliver the 1 unit of temporary accommodation (TA) as they already manage TA in the district. This approach would have the benefit of working with an organisation who has recent experience and resource to deliver an acquisition programme and an organisation that operates TA in the district.
- 3.3 The Council could also look at other RP's operating in the District who may be able to work with the Council for the 3 units of permanent housing, there is only one other RP who is likely to be interested in the TA and the Council could contact them if HOME are unable to support the scheme.

4. COMMENTS OF OVERVIEW & SCRUTINY

- 4.1 The comments of the relevant Overview and Scrutiny Panel will be included in this section prior to its consideration by the Cabinet.

5. RISKS

- 5.1 The main risk to this project is the availability of property on the open market within the budget available. This risk will be mitigated by the following:
- The Round 3 funding has two financial years to complete the acquisition and the Council is only required to source 4 homes, unlike Round 1 where we have had only a year to achieve 21 homes.
 - If Board Approval is secured Stonewater will be able to continue to be the Council's delivery partner, and they have now built valuable insight into the housing market in Huntingdonshire and relationships with key stakeholders.
 - If Stonewater are unable to continue then the Council would look to partner with other RP's currently active in developing in the district.
 - In relation to the TA unit, HOME group currently manage Temporary Accommodation in the District. If they are unable to work with the Council, we would approach Places for People as one of our other main TA providers, to see if they are able to assist. Ultimately the Council could look to deliver only the permanent housing if there was no partner identified for the temporary provision.
- 5.2 In relation to resourcing the project the acquisition element of this project will continue to be managed between the Housing Needs and Resources Manager and the Regeneration and Housing Delivery Manager. The

support that would be provided by the Communities Team would be from existing resources, given the low number of homes, in partnership with our Trusted Partners (Good to Go). Funding is also available to support this core activity in the same way that families have been supported through the Homes for Ukraine Scheme. The team built up a strong base of support within the community and voluntary groups following the response to Covid 19 and this remains in place, it is therefore the intention that the support would be provided by the Council with support from this community infrastructure.

6. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

- 6.1 The third round of the LAHF is to run over the financial years 2024-25 and 2025-26.

7. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES

[\(See Corporate Plan\)](#)

- 7.1 The delivery of affordable housing is a key priority of the Corporate Plan, which is reflected in Priority 2: Creating a better Huntingdonshire for future generations. This enables us to secure Government funding that will directly benefit the residents in Huntingdonshire by increasing the affordable housing supply by four additional homes in perpetuity.
- 7.2 By accepting this funding, the Council is also continuing a positive relationship with DLUHC and other Government agencies/departments and showing that the Council is prepared to work innovatively to deliver new homes in partnership with Housing Associations in lieu of direct delivery by the Council.
- 7.3 Whilst under LAHF Round 1 the support to residents has been through a third party, namely Peterborough City Council, given the experience gained in administering this scheme the Council feels that it is best placed to support residents direct, this also enables us to support Corporate Plan Priority 1: Improving quality of life for local people and supports the Council's ambitions as part of its Community Health and Wealth Strategy.
- 7.4 Under the Huntingdonshire Futures Strategy affordable housing is included in the Pride in Place journey around homes responding to our resident's needs and there is a direct link between quality affordable homes also supporting the Health Embedded journey.

8. LEGAL IMPLICATIONS

- 8.1 To accept the funding the Council would need to sign a Memorandum of Understanding (MOU) with DLUHC, this will be similar to the MOU signed to take part in Round 1. Legal Advice would be provided by 3C Legal so that the Council is fully aware of its obligations.

9. RESOURCE IMPLICATIONS

- 9.1 The Regeneration and Housing Delivery Manager and Housing Needs and Resources Manager will continue to provide support to this scheme alongside the RP who acquires the homes.
- 9.2 Having successfully supported both guests and hosts as part of the Homes for Ukraine Scheme, the Community Team is well equipped to provide support to the Afghan families that would be accommodated under the LAHF 3 funding. Arrangements are already in place across the network and therefore this will have minimal resource implications for the Community Team.

10. REASONS FOR THE RECOMMENDED DECISIONS

- 10.1 In agreeing to the recommendations in this report the Council is able to support the delivery of new affordable homes a key priority of the Corporate Plan.

11. BACKGROUND PAPERS

- Funding Prospectus: <https://www.gov.uk/government/publications/local-authority-housing-fund-round-3>

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