

Report of the Strategic Director of Place to the meeting of the Executive to be held on March 7 2023

BH

Subject: Participation in Government Funded Local Authority Housing Fund Initiative

Summary statement:

The purpose of this report is to seek approval to participation in the Governments Local Authority Housing Fund initiative. The initiative makes grant funding available for the acquisition of dwellings as temporary accommodation for households currently provided with leave to remain in the UK as part of the Ukraine and Afghanistan resettlement schemes. At the conclusion of the scheme, the dwellings are to be added to the council's general needs housing stock in order to meet local housing need.

This report has not been included on the published forward plan as an issue for consideration, due to the fact that the Government initiative was launched following the publication of the Forward Plan for the period in question. A decision to proceed or not proceed with the initiative is required by Executive prior to the end of the current financial year. Therefore, it is not practicable to defer the item to a future agenda. This matter only came to light following publication of the forward plan, and it is impractical to defer the decision until it has been included in the published Forward Plan for the reasons described, therefore the report is submitted in accordance with paragraph 10 of the Executive Procedure Rules set out in the Council's Constitution.

EQUALITY & DIVERSITY:

Participation in the scheme is specifically intended to provide temporary, settled accommodation for those households with leave to remain in the UK as part of the Ukraine and Afghanistan re-settlement schemes.

When that use concludes (in an estimated three years, the dwellings will be added permanently to the council's affordable housing stock. It will then assist those on low income to access good quality and affordable housing.

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Portfolio:
Regeneration, Planning & Transport
Healthy People and Places

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Overview & Scrutiny Area:
Regeneration & Environment

1. SUMMARY

- 1.1 On January 9 2023 Government through the Department of Levelling Up, Housing and Communities (DLUHC) launched the Local Authority Housing Fund. It provided eligible Local Authorities with grant to provide a specific number of dwellings in order to provide temporary settled accommodation to Ukrainian and Afghan households with temporary leave to remain in the UK as part of national Government's resettlement schemes for those fleeing war and persecution from those two countries.
- 1.2 This report seeks to set out the grant offer for Bradford District and the process by which the grant can be utilised in order to acquire dwellings for use as part of the scheme. The report further explains how the dwellings will be incorporated into the council's affordable housing stock at the conclusion of the scheme, to meet the affordable housing needs of households within the District.
- 1.3 Under Paragraph 8.7.4 of Part 3E of the Constitution, the report is marked exempt from call-in for the reason that if it is called in the decision may not be confirmed in time to enable the council to enter into the required 'Memorandum of Understanding' with Government by the deadline of March 15 2023 and thus participate in the scheme.

2. BACKGROUND

- 2.1 On January 9 2023, DLUHC advised that it wished to offer grant support to the Council funding as detailed in Appendix 1 to provide an additional units of accommodation to be utilised to provide accommodation for Ukraine and Afghan Households in the UK as part of re-settlement schemes.
- 2.2 Governments objectives of the fund are to:
 - Ensure recent humanitarian schemes involving Afghan and Ukrainian households only) which offer sanctuary, via an organised safe and legal entry route, to those fleeing conflict, provide sufficient longer-term accommodation to those they support.
 - Support areas with housing pressures which have generously welcomed substantial numbers of Ukrainian refugees so that these areas are not disadvantaged by increased pressures from these arrivals on the existing housing and homelessness systems.
 - Mitigate the expected increased pressures on local authority homelessness and social housing resources which arise from the eligible cohort as sponsorship/family placements/bridging accommodation arrangements come to an end by increasing the provision of affordable housing available to local authorities to support those in the cohort who are homeless, at risk of homelessness, or in bridging accommodation;
 - Reduce emergency, temporary and bridging accommodation costs;
 - Deliver accommodation that as far as possible allows for the future conversion of housing units to support wider local authority housing and homelessness responsibilities to UK nationals (i.e., after usage by this cohort ends);

- Utilise accommodation solutions to enable effective resettlement and economic integration of the eligible cohort.
 - Reduce impacts on the existing housing and homelessness systems and those waiting for social housing.
- 2.3 It is intended that those accommodated will pay affordable housing rents for the duration of their limited tenancies. They will pay via income or eligibility for benefit, in the normal manner. At the conclusion of the re-settlement scheme, the dwellings will be vacated and incorporated into the council's general needs housing stock, to be allocated to those in need of affordable rented accommodation. As a result, as well as helping to fulfil the UK's humanitarian duties to assist those fleeing war, the fund will create a lasting legacy for UK nationals by providing an additional supply of accommodation for local authorities to help address local housing and homelessness pressures.

3. COUNCIL RESPONSE

- 3.1 In light of the grant offer, an officer working group was established to consider the potential of the scheme and assess the means of delivering the required units should it be decided that the Council would participate in the scheme, Appendix 1 sets out the funding details and considerations.

4. FINANCIAL & RESOURCE APPRAISAL

- 4.1 Council is required to fund between 50% - 60% of the purchase cost. The match funding required will be via prudential borrowing within the Housing Revenue Account.
- 4.2 The interest rate used in the analysis is 4.29%, change of rate at the time of purchase will affect the element of borrowing alongside what can be limit on purchase price of property.
- 4.3 Further analysis will be carried out on cashflow when the Council has certainty on acquisition sites with purchase price. The rent values and depreciation will be reviewed against these assets.
- 4.4 The financial model will be revised as elements become certain.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

- 5.1 The key risk factor is the inability to secure dwellings within the time constraints and the resource available. The Memorandum of Understanding that will need to be agreed with Government, requires councils to utilise 'best endeavours' to deliver the units with the available grant. An officer working group will oversee the process and ensure timely / appropriate reports are provided to portfolio holder and the Executive, in order to ensure that at all times, 'best endeavours' are employed, in order to mitigate the risk of grant clawback on committed acquisitions.

6. LEGAL APPRAISAL

- 6.1 The council will be entering into a Memorandum of Understanding (MOU) with DLUHC for the LAHF funding and the council will be required to acquire the properties in accordance with the MOU for the funding. The council will need to comply with the timescales under the MOU as well as reporting and monitoring requirements.
- 6.2 Depending on the acquisition route taken to deliver the required properties, the council will need to consider procurement, subsidy control, ensure the funded activities meet equalities duties and have robust arrangements in place to prevent fraud.
- 6.3 The council will be measured on exchange of contracts for the acquisitions for meeting delivery targets required by DLUHC for the funding,
- 6.4 The council will need to put in place tenancy agreements with the LAHF eligible occupiers of the properties.
- 6.5 The council will also need to have contractual arrangements in place for the ongoing management of the properties.

7. OTHER IMPLICATIONS

7.1 SUSTAINABILITY IMPLICATIONS

None as a direct result of this report

7.2 GREENHOUSE GAS EMISSIONS IMPACTS

None as a direct result of this report

7.3 COMMUNITY SAFETY IMPLICATIONS

None as a direct result of this report

7.4 HUMAN RIGHTS ACT

None as a direct result of this report

7.5 TRADE UNION

None

7.6 WARD IMPLICATIONS

None

7.7 AREA COMMITTEE ACTION PLAN IMPLICATIONS

None.

7.8 IMPLICATIONS FOR CHILDREN AND YOUNG PEOPLE

Eligible households will include families with children, thus providing shelter and stability to aid their development.

7.9 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

None

8. NOT FOR PUBLICATION DOCUMENTS

Appendix 1 attached is 'Not for Publication' on the grounds that it contains exempt information within paragraph 3 (Information relating to Financial or Business Affairs) Schedule 12 A of the Local Government Act 1972 (as amended) and the public interest in applying this exemption outweighs the public interest in disclosing the information.

9. OPTIONS

- 9.1 Not to accept the LAHF funding. This would mean the Council would forego the funding being offered by DLUHC to alleviate housing pressures on local authorities arising from recent and unforeseen conflicts in Afghanistan and Ukraine. The council will also forego the opportunity in the longer term to add to its general housing stock with the assistance of DLUHC funding.
- 9.2 To accept the LAHF funding. This will provide DLUHC funding towards the acquisition of an additional units of accommodation to be utilised to provide accommodation for Ukraine and Afghan Households in the UK as part of re-settlement schemes as detailed in Appendix 1. The fund will create a lasting legacy for UK nationals by providing a new and permanent supply of accommodation for local authorities to help address local housing and homelessness pressures. The scheme will also assist the council to achieve its objective of increasing its stock of affordable housing across the district, as part of the opening of the Housing Revenue Account, approved by Executive at its meeting of January 31 2023.

10. RECOMMENDATIONS

That Executive;

- i. Confirm the Council's involvement in the Governments Local Authority Housing Fund Initiative
- ii. Provides approval to officers to agree and for the council to enter into the required Memorandum of Understanding with the Department of Levelling Up Housing and Communities for the delivery of the Local Authority Housing Fund

- iii. Subject to further review of the financial position, an analysis on property and rent values will be required to determine if the council can provide match funding as detailed in Not for Publication Appendix 1 towards the acquisitions of the properties described in this report.
- iv. Instruct officers to commence the task of identifying appropriate properties for acquisition.
- v. Authority be given to the Strategic Director of Place in consultation with the Strategic Director of Corporate Resources and the Director of Finance & IT to progress with property acquisitions as part of the Local Authority Housing Fund.

11. APPENDICES

Appendix 1: Funding Details is 'Not for Publication' on the grounds that it contains exempt information within paragraph 3 (Information relating to Financial or Business Affairs) Schedule 12 A of the Local Government Act 1972 (as amended) and the public interest in applying this exemption outweighs the public interest in disclosing the information.

12. BACKGROUND DOCUMENTS

None