

Arun District Council

REPORT TO:	Housing & Well Being Committee
SUBJECT:	Local Authority Housing Fund
LEAD OFFICER:	Jayne Knight, Housing Options Manager
LEAD MEMBER:	Councillor C Birch
WARDS:	All

CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION:

The Local Authority Housing Fund will support the following aims of the Council Vision.

Improving the wellness of Arun

- Support those who are homeless, street homeless or at risk of homelessness in emergency or temporary accommodation to improve health outcomes.

Delivering the right homes in the right places

- Support households with complex needs to secure suitable accommodation.
- Ensure the existing housing stock in the district (private sector and council owned) is maintained to a high standard.
- Continue to bring empty homes back into use for the benefit of the community.

DIRECTORATE POLICY CONTEXT:

The Local Accommodation Housing Fund (LAHF) (3) will provide up to 40% of funding towards the cost of purchasing three additional Temporary Accommodation homes, and 1 home for the Afghan Resettlement Scheme.

These additional homes will be new, high standard properties that provide better than value than the alternative, which is expensive emergency accommodation.

FINANCIAL SUMMARY:

The Department of Levelling Up, Housing and Communities (DLUHC) allocated up to £624,000 of grant to Arun District Council to acquire or develop three additional temporary accommodation homes to fulfil our statutory homeless duties, and one additional property to be used for the Afghan Resettlement Scheme. The allocation provides for up to 40% of the cost and will require ADC to fund the remaining 60%, up to a maximum of £936,000. The scheme will provide a positive contribution to the HRA from year 1.

Our intention is to use this award, along with our contribution, to purchase four 3-bedroom homes. Our contribution towards the scheme costs will be funded through a combination of unallocated S.106 commuted sums and additional borrowing.

1.0 PURPOSE OF REPORT

- 1.1 To seek approval from Members to proceed with the acquisition of four additional temporary homes, including approval for the capital funding required to make up the remaining cost after the grant awarded is considered.

2.0 RECOMMENDATIONS

2.1 It is recommended that Housing and Wellbeing Committee:

- a) Approves progression of the LAHF award of £624,000 to acquire three additional homes for use as temporary accommodation and one for the Afghan Resettlement Scheme.
- b) Approves allocation of a combination of unallocated commuted sums (circa £400,000) and the use of HRA borrowing (circa £536,000) as match funding of a minimum 60% (up to £936,000).
- c) Subject to recommendation (d), approves the acquisition of four new homes for up to a maximum total cost of £1,560,000 for use as temporary accommodation and for the Afghan Resettlement Scheme and in accordance with the LAHF grant conditions; and
- d) Delegates authority to the Group Head of Finance (Section 151 Officer), in consultation with the Leader, Opposition Leader and Chair of this Committee, to provide final written approval of the acquisition subject to the Group Head of Finance being in receipt of a positive financial appraisal.
- e) Notes that an appraisal of the LAHF scheme will be brought to this committee once it is completed and in use.
- f) Request that Policy & Finance Committee include this scheme within the Council's capital programme at a total cost of £1,560,000, with £624,000 to be funded from central government grant and £936,000 to be funded by the Council through a combination of unallocated commuted sums and additional borrowing.

3.0 EXECUTIVE SUMMARY

- 3.1 DLUHC have nominally allocated £624,000 of LAHF funding for Arun District Council to acquire three additional homes for use as temporary accommodation, and one for the Afghan Resettlement Programme. The LAHF scheme is intended to relieve our existing homelessness pressures and support Afghan refugees currently occupying bridging hotels.
- 3.2 Arun DC has been allocated up to £624,000 of grant funding conditional on the Council match funding at least 60%, being £936,000. The funding is also conditional on having the properties ready for use by 31st August 2024.

3.3 The grant application has already been submitted as the deadline was 15 January, but this does not commit us to proceeding with the application.

3.4 The proposal is to purchase: Four 3-bedroomed houses on a local development.

4.0 DETAIL

4.1 Presently there are over 221 Arun households living in temporary accommodation of which 178 are in expensive nightly paid accommodation provided by private suppliers. The cost of temporary accommodation to the local authority this year is expected to be in region of £3.6 million.

4.2 Homelessness is a statutory service, and we are obligated to offer temporary accommodation to eligible households. At a time of nationally increasing homelessness, we are seeing increasing numbers of households in temporary accommodation. Our only flexible source of supply is expensive, nightly paid emergency accommodation. Increasing our own portfolio of temporary accommodation reduces that reliance and offers a better quality, more sustainable and cheaper alternative.

4.3 There are unallocated commuted sums available which can be utilised to contribute to the capital cost of this project and enable a strong business case, including generation of HRA surplus (after borrowing) of circa £23,000 per annum (exact figures will be unavailable until the properties have been identified and the purchase price confirmed). Additionally, savings will be generated through reduced reliance on nightly paid emergency accommodation.

5.0 CONSULTATION

5.1 There has been consultation with DHLUC and Finance in developing these proposals.

6.0 OPTIONS / ALTERNATIVES CONSIDERED

6.1 There was consideration given to building new properties on land owned by Arun District Council. This was dismissed, as the delivery timetable is by 31 August 2024 and therefore not long enough to enable such an approach.

6.2 There was the option not to apply for this grant, and this was also dismissed as:

6.2.1 DLUHC were strongly supportive of our application.

6.2.2 This scheme will provide high-quality, energy efficient new temporary homes for homeless families.

6.2.3 These properties will both generate an income and off-set the alternative cost of emergency accommodation.

7.0 COMMENTS BY THE GROUP HEAD OF FINANCE/SECTION 151 OFFICER

7.1 The total costs of the proposals in this report are £1,560,000 of which £936,000 will need to be funded by the Council through a combination of borrowing and use of commuted sums, ultimately generating a surplus for the HRA and reduced expenditure on expensive nightly paid emergency accommodation.

7.2 It is important for Members to note that no acquisitions will be made unless a business case is developed, which demonstrates affordability and value for money. The proposals in this report are expected to generate a net yield of at least £23,000 per annum for the HRA. The final costs will be reported to this committee once the property purchases have been completed.

8.0 RISK ASSESSMENT CONSIDERATIONS

8.1 The authority will be increasing its HRA debt. Whilst this increases our debt exposure risk, this is mitigated by the ownership of the properties, which will be 40% grant funded.

8.2 There is a degree of reputational risk through not taking up the grant allocation, however the scheme will not proceed without a clear business case which demonstrates affordability and value for money. If we are unable to meet any of the grant obligations, including the required timescale for purchasing the properties our application will be withdrawn. Officers are, however, confident that this will not be necessary.

9.0 COMMENTS OF THE GROUP HEAD OF LAW AND GOVERNANCE & MONITORING OFFICER

9.1 Appropriate legal agreements will need to be prepared and put in place to govern both the use of the funding and the acquisitions. Advice will be required from the Council's Legal Services team and/or its external legal advisors as a part of the project.

10.0 HUMAN RESOURCES IMPACT

10.1 There are no implications identified.

11.0 HEALTH & SAFETY IMPACT

11.1 There are no implications identified.

12.0 PROPERTY & ESTATES IMPACT

12.1 There are no implications identified.

13.0 EQUALITIES IMPACT ASSESSMENT (EIA) / SOCIAL VALUE

13.1 This brings additional social value to the community providing suitable temporary accommodation for 3 additional households in the district and 1 to be used for the Afghan resettlement scheme

14.0 CLIMATE CHANGE & ENVIRONMENTAL IMPACT/SOCIAL VALUE

14.1 All 4 properties purchased, will be newly constructed, to the most up to date build standards.

15.0 CRIME AND DISORDER REDUCTION IMPACT

15.1 There are no implications identified.

16.0 HUMAN RIGHTS IMPACT

16.1 There are no implications identified.

17.0 FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS

17.1 There are no implications identified.

CONTACT OFFICER:

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BACKGROUND DOCUMENTS:

[Local Authority Housing Fund: Round 2 prospectus and guidance - GOV.UK \(www.gov.uk\)](http://www.gov.uk)