

Arun District Council

REPORT TO:	Housing and Wellbeing Committee - 21 November 2024
SUBJECT:	Local Authority Housing Fund Update
LEAD OFFICER:	Jayne Knight Housing Options Manager
LEAD MEMBER:	Councillor Carol Birch, Chair of Housing and Wellbeing Committee
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 Authority Housing Fund (LAHF) (3) will provide up to 40% of funding towards the cost of purchasing three additional Temporary Accommodation homes, and one home for the Afghan Resettlement Scheme.

These additional homes are new, high standard properties that provide better 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 provided up to 40% of the cost and required ADC to fund the remaining 60%, up to a maximum of £936,000. The scheme provides a positive contribution to the HRA from year 1.

We used the funding to purchase four, three-bedroom houses in Littlehampton, three for use as temporary accommodation and one to house a family under the Afghan resettlement scheme.

1. PURPOSE OF REPORT

- 1.1 To provide members with an update on the purchase of the four homes.

2. RECOMMENDATIONS

- 2.1 This report is to update the Housing & Wellbeing Committee further to the Committee report on 26 March 2024.

3. EXECUTIVE SUMMARY

- 3.1 DLUHC 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 was allocated up to £624,000 of grant funding conditional on the Council match funding at least 60% of the purchase price. The funding was conditional on having the properties ready for use by 31st August 2024.
- 3.3 At housing and Wellbeing committee held on 26 March 2024 approval was given to proceed with the purchase of the 4 additional properties.
- 3.4 Arun District Council have purchased: Four, three-bedroom houses on a local development in Littlehampton, and are bringing this report back to committee as an update on the acquisition.

4. DETAIL

- 4.1. Four, Three-bedroom houses were purchased at Anderson Way Littlehampton, for £1,304,308.50 The cost of which was met from a £624,000 grant from DHLUC (now MHCLG), S106 receipts from affordable housing developments of £351,556.07 and future HRA borrowing from General Fund of £328,752.43
- 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 emergency accommodation. Increasing our own portfolio of temporary accommodation reduces that reliance and offers a better quality, more sustainable and cheaper alternative.
- 4.3. The purchase of the property completed prior to the deadline of 31 August and all four properties are now occupied.

5. CONSULTATION

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

6. OPTIONS / ALTERNATIVES CONSIDERED

- 6.1 This report is to update the committee further on the Local Authority Housing fund report brought to Housing & Wellbeing Committee on 26 March 2024.

7. 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. This will be done by taking out new borrowing, which means the Council will also incur additional revenue costs to repay the borrowing. However, it is anticipated that borrowing costs and any other additional revenue expenditure will be offset by the savings achieved.
- 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 are completed.

8. RISK ASSESSMENT CONSIDERATIONS

- 8.1 This report is an update to committee.

9. 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. HUMAN RESOURCES IMPACT

- 10.1 There are no implications identified.

11. HEALTH & SAFETY IMPACT

- 11.1 There are no implications identified.

12. PROPERTY & ESTATES IMPACT

12.1 There are no implications identified.

13. 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. CLIMATE CHANGE & ENVIRONMENTAL IMPACT/SOCIAL VALUE

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

15. CRIME AND DISORDER REDUCTION IMPACT

15.1 There are no implications identified.

16. HUMAN RIGHTS IMPACT

16.1 There are no implications identified.

17. FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS

17.1 There are no implications identified.

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BACKGROUND DOCUMENTS:

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