

## Bath & North East Somerset Council

MEETING/ DECISION MAKER:	<b>Single Member Decision</b> <b>Shareholder – Leader of the Council</b>	
MEETING/ DECISION DATE:	<b>On or after 30<sup>th</sup> September 2023</b>	EXECUTIVE FORWARD PLAN REFERENCE:
		<b>E3481</b>
TITLE:	<b>Local Authority Housing Fund Delivery Programme</b>	
WARD:	All	
<b>AN OPEN PUBLIC ITEM</b>		
<b>List of attachments to this report: None</b>		

### 1 THE ISSUE

- 1.1** On 22<sup>nd</sup> December 2022, the Department for Levelling Up Housing and Communities (DLUHC) announced the Local Authority Housing Fund which aims to ensure housing needs for refugees who have arrived in the UK via the Ukrainian and Afghan resettlement and relocation schemes are provided with safe long-term accommodation.
- 1.2** In February 2023, the Council approached Aequus Developments Ltd (ADL) to support them to deliver this programme. To meet the identified needs of the families and individuals requiring accommodation, it was identified that 22 homes are required and would be delivered by refurbishing 4 existing buildings from the Council's existing stock that will create 12 homes together with the purchase of 10 additional properties from the open market.
- 1.3** The funding for the purchase of the open market properties will be via LAHF grant passported via the Council (at least 40% of the value) together with additional borrowing from the existing ADL Loan Agreement. Therefore, in accordance with the Shareholder Agreement 2018, updated in 2022, Aequus must seek approval from the Shareholder for Reserved Matters 22 and 28.

### 2 RECOMMENDATION

- 2.1** The Shareholder is asked to approve the reserved matters below to allow ADL to progress with supporting the Council to deliver this programme;
- **Reserved Matter 22 – approval of total asset acquisitions that will exceed £500,000 but less than £5M**
  - **Reserved Matter 28 – Making any borrowing**

2.2 **Delegate the completion of contractual and loan agreement terms to the Director of Regeneration and Housing in consultation with the s151 and Monitoring Officer for the execution of the programme.**

### **3 THE REPORT**

- 3.1 ADL were approached by B&NES in February 2023 to support them with the delivery of the Local Authority Housing Fund programme to provide 22 homes for families with housing needs who have arrived in the UK via Ukrainian and Afghan resettlement and relocation schemes. ADL conducted research to identify properties suitable for this programme both within the Council's existing property stock and on the open market and produced a detailed proposal. This was then used as part of the Council's bid for the LAHF programme grant.
- 3.2 The funding for the purchase of the open market properties will be via LAHF grant passported by the Council (at least 40% of the value) together with additional borrowing from the existing ADL Loan Agreement. A specific Business Case will be completed for each proposed property acquisition to ensure it is viable, in accordance with a model approved by the Managing Director and the Council's S151 Officer.
- 3.3 This programme needs to be delivered at pace to ensure all homes are delivered by November 2024. The conveyancing process for purchasing the open market properties can take 12 to 16 weeks. The delivery timescale of the properties within the Council's existing stock is dependent on how quickly any necessary planning applications are approved and the contractors can commence works.
- 3.4 ADL will manage the LAHF tenancies via their contracted Rental Managing Agent who will undertake all the normal statutory checks, inventory and maintenance of the properties. Rentals will be capped for each property at the relevant Local Housing Allowance rate.
- 3.5 The types of units required to meet the needs of the refugee families have been identified as:

#### **Council's existing property stock:**

- 1 bed studio,
- 7 x 1 bedroom flat
- 4 x 2 bedroom flat

#### **Open market acquisitions**

1 x 4 bedroom HMO  
2 x 4 bedroom house  
7x 2 bedroom house/flat

- 3.6 To ensure that the properties remain solely for affordable housing use, ADL are required to place a restrictive covenant on title on the properties purchased through the grant funding to ensure their ongoing use solely for affordable housing purposes.

## **4 STATUTORY CONSIDERATIONS**

- 4.1 Aequus Developments is the Council's 100% owned and controlled housing company and has the relevant resources and expertise to deliver this LAHF programme for the Council. ADL already operates a portfolio of properties using assured shorthold tenancies and the LAHF properties will form part of this portfolio 1.
- 4.2 The definition of a key decision does not apply to proposals or decisions of the Leader acting in their capacity as Shareholder of a Local Authority Company owned or operated by the Council. (Section 1.12 of the Constitution).
- 4.3 Proposals and decisions of the Leader acting in their capacity as Shareholder of a Local Authority Company owned or operated by the Council cannot be called-in. (Section 3.2.30 of the Constitution).

## **5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

- 5.1 The capital costs of £3,139k are fully funded by the Council, through a combination of LAHF grant, loan funding to Aequus (supported through net rental receipts) and if required an individual business case top-up from revenue grant contributions, with £267k earmarked from Homeless Prevention Grant. If needed, we will also review eligible S106 funding and use of right to buy capital receipts.

## **6. RISK MANAGEMENT**

- 6.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the council's decision making risk management

## **7 EQUALITIES**

- 7.1 A formal equalities impact assessment has not been undertaken on the proposal however, it is considered that this decision will have a positive impact on a group with a protected characteristic, particularly people of diverse races, religion and cultural backgrounds who have come to the UK, following an offer of sanctuary to those fleeing conflict, via an organised safe and legal entry route. This decision will support those affected to settle within and contribute to local communities.

## **8. CLIMATE CHANGE**

- 8.1 Housing is a key contributor to climate change. As a minimum all homes forming part of the programme will initially be EPC C rating. However, when refurbishment works are being undertaken full consideration will be given to how the energy efficiency of the property could be further improved. To further support this process of asset improvement the Council will remain vigilant for suitable funding opportunities, both internal and external.

## **9. OTHER OPTIONS CONSIDERED**

- 9.1 None

## **10. CONSULTATION**

- 10.1 Director Regeneration & Housing, S151 Officer and Monitoring Officer

<b>Contact person</b>	Simon Martin, Director Regeneration & Housing
<b>Background papers</b>	Single Member Cabinet Decision: Local Authority Housing Fund Delivery Programme Decision E3480
<b>Please contact the report author if you need to access this report in an alternative format</b>	