

Single Member Cabinet Decision

Executive  
Forward Plan  
Reference

**E3573**

**Local Authority Housing Fund Delivery Programme Round 3**

<b>Decision maker/s</b>	Cllr Kevin Guy, Leader of the Council
<b>The Issue</b>	<p>On the 7th March 2024 DLUHC (now MHCLG) launched the Local Authority Housing Fund Round 3 and in July 2024 B&amp;NES received an offer of an additional £944k grant of which £6k is revenue funding and £938k is capital funding.</p> <p>LAHF Round 3 requires the Council to provide a further 5 properties as follows:</p> <ul style="list-style-type: none"><li>• <b>Resettlement element:</b> provide a minimum of 3 homes, which will include 2 new build properties, to support the Afghan resettlement scheme.</li><li>• <b>Large resettlement element (4+ bed):</b> provide a minimum of 1 home for the large Afghan resettlement scheme.</li><li>• <b>Temporary Accommodation:</b> provide a minimum of 1 home for use as temporary accommodation. <b><i>This element of the scheme will be secured directly by B&amp;NES Homes.</i></b></li></ul> <p>The funding for the purchase of the 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.</p>
<b>Decision Date</b>	8th October 2024
<b>The decision</b>	<p>The Cabinet Member approves the reserved matters below to allow ADL to progress with supporting the Council to deliver this programme:</p> <ul style="list-style-type: none"><li>• <b>Reserved Matter 22 – approval of total asset acquisitions that will exceed £500,000 but less than £5m per annum</b></li><li>• <b>Reserved Matter 28 – Making any borrowing</b></li></ul>
<b>Rationale for decision</b>	<p>ADL have supported B&amp;NES with the delivery of the Local Authority Housing Fund Round 1 to provide 22 homes for families with housing needs who have arrived in the UK via Ukrainian and Afghan resettlement and relocation schemes. Round 3 funding will extend the delivery of the ADL supported scheme by providing an additional 4 properties specifically for Afghan families who are part of the Afghan Citizens Resettlement Scheme (ACRS).</p>

	<p>The funding for the purchase of the 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.</p> <p>This programme will be delivered across 2 years; Year 1 (24/25) and Year 2 (25/26). Year 1 delivery requires purchase of 2 Resettlement Element properties to be completed by 31<sup>st</sup> March 2025. Year 2 delivery requires purchase and occupation of 1 resettlement element property and 1 large resettlement element property to be completed by 31<sup>st</sup> March 2026.</p> <p>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 initially be capped for each property at the 2023 Local Housing Allowance rate plus 7.7%, subject to annual review.</p> <p>The types of units required to meet the needs of the refugee families have been identified as:</p> <p><b>Open market acquisitions</b></p> <ul style="list-style-type: none"> <li>• 3 x 2 bed plus (family accommodation) Resettlement Element properties</li> <li>• 1 x 4 bedroom house Large Resettlement Element property</li> <li>• 2 of the properties identified above must be new build homes.</li> </ul> <p>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.</p>
<p><b>Financial and budget implications</b></p>	<p>The capital costs of £1,812,000 are fully funded by the Council, through a combination of LAHF grant, loan funding to Aequus (supported through net rental receipts) £139k Homelessness Prevention Grant, £75k Afghan Integration Tariff and £23k from developer S106 contributions.</p>
<p><b>Issues considered</b></p>	<p>Social Inclusion; Human Rights</p>
<p><b>Consultation undertaken</b></p>	<p>Section 151 Finance Officer; Monitoring Officer</p>
<p><b>How consultation was carried out</b></p>	<p>Internal consultation with S151 and Monitoring Officers was carried out as the proposal developed.</p>
<p><b>Other options considered</b></p>	<p>None</p>
<p><b>Declaration of interest by Cabinet Member(s) for decision:</b></p>	<p>None</p>

<b>Any conflict of interest declared by anyone who is consulted by a Member taking the decision:</b>	None
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<b>Name and Signature of Decision Maker/s</b>	Councillor Kevin Guy Leader of Bath and North East Somerset Council
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<b>Date of Signature</b>	8 October 2024
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**NOT Subject to Call-in**