

**REPORT TITLE: Delivery of 4 homes, joint funded through the Local Authority Housing Fund (LAHF Round 3) to meet Temporary Accommodation and Refugee housing need.**

**To:**

Councillor Gerri Bird, Executive Councillor for Housing  
Housing Scrutiny Committee 17 September 2024

**Report by:**

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**Wards affected:**

All

**1. Recommendations**

1.1 It is recommended that the Executive Councillor for Housing:

1. Delegate Authority to the Section 151 Officer to enter into a Memorandum of Understanding with the Department for Levelling Up, Housing and Communities to allow for the Round 3 payment of allocated funding to the Council.
2. Approve that the delivery of accommodation to cater for recent humanitarian schemes identified within this second round of LAHF funding be delivered as part of the Councils 2022-2032 New Build Housing Programme.
3. Approve that an indicative budget of £2,016,000 be drawn down in 2024/25 from the sum already ear-marked and approved for investment in new homes, to cover the costs associated with delivering 4 homes to serve as longer term accommodation, catering for the eligible cohort as defined in 4.2 and to recognise grant funding of £921,675 towards this expenditure. Following the meeting of this need the properties delivered will become general needs housing held within council stock.

4. Authorise the Acting Chief Property Surveyor to approve the purchase of open market properties into council stock to serve as housing for the eligible cohort as defined in 4.2, subject to consultation with the Director of Communities and the Chief Financial Officer.

## **2. Purpose and reason for the report**

- 2.1 2.1.1. The Council to date has successfully delivered homes across Round 1 and Round 2 of the LAHF programme. This has included delivery of 37 homes, exceeding a combined target of 34 homes across both prior rounds of funding.
- 2.1.2. A 3<sup>rd</sup> Round was announced by LAHF in early 2024, but was since delayed due to National elections and subsequent change in government.
- 2.1.3. On the basis of confirmation from the Executive Councillor for Housing and the Chief Financial officer, a positive Expression of Interest was submitted to the LAHF, indicating that the Council were willing to enter into an MOU for the pre-allocated funding, subject to formal approval through the Housing Scrutiny Committee.
- 2.1.4. This report seeks approval for the delivery of the 4 homes proposed, together with an allocated budget to be drawn down from the new homes programme funding built into the HRA MTFS.

## **3. Alternative options considered**

### **3.1 Option 1: Do not participate**

The Council has a standing commitment to welcome refugees into the City together with a Duty of care to the homeless. These are key priorities and the ability to offer additional housing stock for these groups is a significant benefit where this can be brought forth together with the councils housing delivery pipeline. The grant offer is significant at c46% of delivery cost, and well exceeds the c25-30% of delivery funded through alternative funding regimes. As such there is significant benefit to the council in participating.

Option 2: reliance on new build housing as opposed to acquisition

Current new builds are either all funded already through Homes England (and as such ineligible), or are planned for completion outside of the required completion dates.

While new build homes could be targeted, and would be subject to a minimal grant uplift, we propose to, as before, target acquisition of existing properties on the open market. This significantly reduces risk of completions within the timeframes.

#### Option 3: Reliance on modular housing as opposed to acquisitions

Modular housing could be considered but we feel that use of this funding to secure permanent freehold of land and associated additional property within the city is preferable.

Modular housing, while subject to shorter delivery timeframes in terms of construction, would be reliant on bringing forward infill opportunities on existing council property, which brings with it risks linked to challenge from neighbours, existing land uses, and design challenges which are not easily addressed by standardised modular construction.

Non-standardised modular construction would require similar timeframes to traditional new build delivery.

## 4. Background and key issues

- 4.1 4.1.1. The Local Authority Housing Fund (LAHF) is an innovative capital fund that supports local authorities in England to obtain housing for those who are unable to find settled accommodation on resettlement schemes.
- 4.1.2. The Council to date has successfully delivered homes across Round 1 and Round 2 of the LAHF programme. This has included delivery of 37 homes, exceeding a combined target of 34 homes across both prior rounds.
- 4.1.3. For this 3rd round, the eligibility criteria has been revised and I have set this out below. These are indicated against the pre-allocated housing delivery target offered by LAHF for this round.

Element	Number of homes allocated for funding
TA Element	1
Resettlement Element	2
Large resettlement Element	1

- 4.1.4. Larger 3 or 4 bed family homes will be prioritised, but final home size to be acquired will be informed by Officers and the current priority need of eligible families.
  - 4.1.5. As opposed to prior rounds of funding, the total funding is not allocated per element, but rather is fungible across all home delivery. Likewise this is not contingent on a specific percentage match funding like prior rounds, and is a bulk funding allocation contingent only on the delivery of the 4 home target as above.
  - 4.1.6. The funding amounts to £921,675.00. There is also an additional allocation of £7,825 of revenue funding to support delivery, which will be drawn down in line with officer costs.
  - 4.1.7. The MoU targets delivery of the 4 homes by March 2025. The Round 3 programme has an extended duration but delivery in the 2024/25 year aligns with current council commitments in terms of eligible families for housing.
  - 4.1.8. In terms of budget allocations, match funding can be drawn from the unallocated budget set out in the in the Mid Term Financial Strategy for housing delivery.
  - 4.1.9. Should we successfully deliver well ahead of the target dates, it has been indicated that LAHF may be open to considering additional funding, subject to delivery progress by other selected authorities. We would remain open to this consideration, subject to Council commitments and housing need.
- 4.2. In terms of eligible families for this housing:
- 4.2.1. Those owed a homelessness duty of care:
    - In recent years, the Council has tended to open in the region of 250 homelessness prevention cases a year.
    - In 2023/24 264 prevention cases were opened. The number of households currently in temporary accommodation stands at 166;144 in our TA stock and 22 in bed and breakfast.
  - 4.2.2. Those on the Afghan Citizen Resettlement Scheme (ACRS) –
    - the Councils 2021 decision to provide a minimum of 4 homes per year to end-2024 remains in effect.
    - Further to this, a November 2023 consultation response to Government reaffirmed the pledge to provide a minimum of 4 Council homes for refugees in the further

2025 calendar year, specifically noting the potential for more homes if further LAHF rounds are made available (which it now has). The council to date has housed 19 families (20 target to end-2024) and 76 people (100 target to end - 2024).

4.3. As such, the eligible family group committed to is more than enough to occupy the 4 homes proposed to be funded through Round 3.

4.4. Should these funded homes not be brought forward, the Council would remain with a duty of care to the above eligible cohort and these families would enter onto the housing register.

## **5. Corporate plan**

5.1 This proposal directly addresses Priority 2: Tackling poverty and inequality and helping people in the greatest need, as well as Priority 3; Building a new generation of council and affordable homes and reducing homelessness.

## **6. Consultation, engagement and communication**

6.1 Internal cross-team consultation has taken place between the HDA, Housing and Communities, and Finance teams through the established Project Group which delivered the Rounds 1 and 2 of LAHF funded homes.

Councillor engagement will be undertaken in line with the locations of acquisitions as these progress.

Reporting on outcomes will be incorporated into the quarterly reporting on the housing delivery programme.

## **7. Anticipated outcomes, benefits or impact**

7.1 Direct outcomes are

- delivery of net new council housing,
- Reduction of families on the Housing register
- Reduction in rough sleeping and homelessness.

- Net increase in Council housing stock

## 8. Implications

### 8.1 Relevant risks

Risk	Likelihood	Impact	Mitigation
<p><b>Delivery failure</b> The funding requires best endeavours from the council.</p>	Low	Reputational risk to the council. Repayment of allocated funds.	Target completion of acquisitions well ahead of formal LAHF funding completion date. Open and early communication with LAHF re delays Rapid delivery through acquisition as opposed to new build reliance Streamlined internal process for acquisitions already established through R1 and R2 delivery.
<p><b>Failure to complete on Market purchases</b> Significant competitive pressure on market acquisitions.</p>	Low	Delivery Failure	Progress at early stage to ensure ability to meet target date.
<p><b>Public opposition /Member buy-in</b> Significant local housing pressure may lead to negative public opinion of prioritising foreign nationals</p>	Low	Reputational Risk. Delivery Failure	It will be important to engage with the local ward Cllrs early on to identify opportunities and issues. The full buy-in by national government needs to be relied upon. Council commitment to welcoming refugees.
<p><b>Exceeding proposed budget</b> due to reliance on open market acquisitions or required increased purchase value for market homes</p>	Medium	Additional HRA funding required	Strategic approach to property selection, ensuring Value for Money on completed acquisitions.

## **Financial Implications**

- 8.2 The full budget will be drawn down for this project from the existing funds ear-marked for new homes in the 10 Year New Homes Programme. A gross budget of £2,016,000 will be re-allocated from existing approved resources for this specific project.
- The Council additionally recognises the additional grant income associated with the project. Funding revisions form part of the Medium Term Financial Strategy being presented to this Committee.

## **Legal Implications**

- 8.3 *None.*

## **Equalities and socio-economic Implications**

- 8.4 *An EQIA will be completed as part of this scheme approval.*

## **Net Zero Carbon, Climate Change and Environmental implications**

- 8.5 A Climate Change rating tool will be completed as part of this scheme approval. This delivery however relies on existing properties within the city, and as such pose no change to existing conditions.

Energy Bills for housing are to tenant account and as such hold no direct implication for the Councils net zero use targets. These properties will however enter into council stock and as such will be incorporated into long term programmes for cyclical maintenance and energy efficiency improvements.

## **Procurement Implications**

- 8.6 None. Conducted in-house and within existing procured service arrangements.

## **Community Safety Implications**

8.7 There are no community safety implications. Cambridge is a welcoming city of sanctuary. Properties for refugees are dispersed across the city to support integration and resettlement support for refugees is provided by the Council.

## **9. Background documents**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 9.1
- 23/Urgency/HSC/2 - £500m Local Authority Housing Fund Refugee Scheme – Approval To Deliver Longer Term Humanitarian Scheme Accommodation Through The 22-32 New Build Housing Programme, Partly Funded By Central Government
  - 23/Urgency/HSC/12 - Local Authority Housing Fund Refugee Scheme Round 2 – Approval to deliver 2ND round humanitarian scheme accommodation through the 2022-32 new build housing programme, partly funded by Central Government
  - 21/36/HSC - Refugee Resettlement – Delivering the pledge to resettle 200 more refugees

## **10. Appendices**

10.1 *None*

To inspect the background papers or if you have a query on the report please contact Jaques van der Vyver, email [Jaques.vandervyver@cambridge.gov.uk](mailto:Jaques.vandervyver@cambridge.gov.uk)