

REPORT TO CABINET

Open		Would any decisions proposed :			
Any especially affected Wards	Discretionary	Be entirely within Cabinet’s powers to decide		YES	
		Need to be recommendations to Council		NO	
		Is it a Key Decision		YES	
Lead Member: Cllr Rust E-mail: <i>cllr.jo.rust@west-norfolk.gov.uk</i>		Other Cabinet Members consulted: None			
		Other Members consulted: None			
Lead Officer: Karl Patterson E-mail: karl.patterson@west-norfolk.gov.uk Direct Dial: 01553 616847		Other Officers consulted: Duncan Hall Assistant Director of Regeneration, Housing & Place Carl Holland Assistant Director Finance & S151			
Financial Implications YES	Policy/ Personnel Implications NO	Statutory Implications YES	Equal Impact Assessment YES If YES: Full Assessment	Risk Management Implications YES	Environmental Considerations YES

Date of meeting: 21st July 2025

LOCAL AUTHORITY HOUSING FUND – ADDITIONAL ROUND 3 FUNDING

Summary

Further to Cabinet's previous decision in September 2024 to accept £1.7m grant funding to deliver 12 affordable homes, 4 homes for eligible Afghan households and 8 homes for use as temporary accommodation, this report provides information on additional funding offered to BCKLWN in June 2025 through the Local Authority Housing Fund (LAHF) Round 3.

The programme has been established by the Ministry of Housing, Communities and Local Government (MHCLG) to support Local Authorities to acquire homes to accommodate households with housing needs who have arrived in the UK as part of the Afghan resettlement and relocation schemes and provide better quality temporary homes for homeless households.

The Council has been offered additional grant to acquire 3 homes to be used for temporary accommodation for homeless households and 1 property for Afghan households (Total 4). This is subject to acceptance of terms by the Council through a Memorandum of Understanding. The purpose of the report is to seek approval to accept the grant and inform the Cabinet of the requirements of the grant funding and potential delivery options.

Recommendation

It is recommended that:-

1. The Council will enter a Memorandum of Understanding with MHCLG based on the prospectus for the Local Authority Housing Fund available at <https://www.gov.uk/government/publications/local->

[authority-housing-fund-round-3/local-authority-housing-fund-round-3-prospectus-and-guidance#contact-and-documents](#). Authority is

delegated to the Chief Executive Officer in consultation with the Portfolio Holder for People and Communities to agree the final terms of the Memorandum of Understanding with MHCLG

2. The Council will accept the total sum of £568,000 offered to the Council by MHCLG under the Local Authority Housing Fund to deliver the programme, understanding the external match funding requirements as set out in the report and attached prospectus.
3. Cabinet agrees that, subject to agreement from West Norfolk Housing Company, the properties will be acquired by West Norfolk Housing Company, funded by the grant, debt financing and other available funding.
4. Authority is delegated to Assistant Director Finance/Deputy S151 in consultation to agree terms for deferred consideration (if necessary) with West Norfolk Housing Company in relation to the transfer of properties on the Council's developments.
5. The Council requests that West Norfolk Housing Company works with the Council to deliver the properties through the fund.
6. That delegated authority is given to the Chief Executive Officer in consultation with the Leader for the acceptance of further funding offered to the Council under the Local Authority Housing Fund (LAHF) or successor programme.

Reason for Decision

The recommendations will ensure that the opportunity presented by the Local Authority Housing Fund to deliver affordable housing in the borough will be fully realised and will help to relieve pressures on the council's homelessness services.

1 Background

1.1 MHCLG released details of Round 3 of the Local Authority Housing Fund in August 2024. Cabinet agreed in September 2024 to accept £1.7m grant funding to deliver 12 affordable homes, 4 homes for eligible Afghan households and 8 homes for use as temporary accommodation. The 12 homes will be delivered on the Council's Florence Fields site by 31st March 2026.

1.2 Following submission of an Expression of Interest in January 2025, The Council have been allocated additional grant funding of £568,000 for the delivery of 4 new build homes, 3 for use as temporary accommodation to meet the Council's wider housing needs and 1 for eligible Afghan households. This would result in a total allocation of £2,262,876 to deliver 16 affordable homes. Local authorities accepting the funding are expected to deliver on both elements of the funding.

1.3 The objectives of LAHF R3 are to:

- Reduce local housing pressures and use of expensive and unsuitable accommodation, by providing better quality temporary accommodation to those owed homelessness duties by local authorities
- Reduce temporary accommodation costs
- Provide sustainable settled housing to those on ACRS and ARAP so that they can build new lives in the UK, find employment and integrate into communities.
- Support local housing markets by assisting the delivery of new housing stock or new developments to grow overall housing supply.

1.4 This additional funding will complement the existing Afghan resettlement scheme delivered by Norfolk County Council

1.5 Afghan households leaving Home Office accommodation without securing suitable alternative housing are likely to seek assistance from local authorities. Since they may not have a local connection to any specific area, they are entitled to submit a homelessness application to any local authority of their choice, which would then have a duty to support them. Some of these households may choose to approach the Borough Council of King's Lynn and West Norfolk (BCKLWN). In such cases, they could be accommodated through housing provided under the Local Authority Housing Fund (LAHF) scheme.

1.6 The main principle behind the funding is to alleviate pressures on existing homelessness systems.

1.7 In 2022 all local authorities received a letter from the Home Office, asking all local authorities in England to support the resettlement efforts of asylum seekers including Afghans to ensure that the responsibility does not fall disproportionately on a small number of local authorities.

1.8 The final target date for delivery of homes is 31st March 2026, in line with the original Local Authority Housing Fund Round 3 allocation. There is an expectation that contracts to acquire homes will be exchanged by the final target date. The Council has the opportunity to use the funding to provide homes via its own developments, which includes the Florence Fields development currently under construction. This includes properties earmarked to be sold on the open market. Rather than this, some of these homes could be acquired at open market value provided as affordable housing through the fund. This option mitigates the risk of not meeting the delivery timescales of the fund i.e. 31st March 2026.

1.9 The homes will be of a type and price to ensure they can be delivered as affordable housing. In order to meet the housing needs of those eligible, the homes should be within the borough's towns. The additional funding allocation is based on the expectation that the 3 homes for use as temporary accommodation will be 2-4 bed units and the 1 resettlement home will be 2-3 bed unit.

1.10 The aspirations of the Fund in relation to future longer-term use of the homes is for them to become part of the wider affordable housing stock. The type and locations therefore need to be suitable to meet the wider housing needs of the

borough. Consideration also needs to be given to the ongoing maintenance costs and energy efficiency of properties.

- 1.11 The approach will be to assess the suitability of properties available on the open market on the Council's developments taking into account the above factors. If sufficient open market properties cannot be identified, consideration could be given to properties at Florence Field currently earmarked for the private rented sector. This approach will add an additional 4 properties to the affordable housing stock.
- 1.12 In order to accept the funding, the Council is required to sign a Memorandum of Understanding (MOU). MHCLG has indicated that the Memorandum of Understanding had to be signed by 9th July 2025. However, it has now been confirmed that the full allocation will be made available if the MOU is agreed shortly after the 21st July.
- 1.13 The Council has previously accepted funding from Central Government to deliver at least 42 affordable homes through rounds 1, 2 and 3 of the Local Authority Housing Fund. Further background on the fund can be found within the cabinet reports from 8th February 2023, 1st August 2023 and 17th September 2024 and an update on delivery is contained within section 3 of this report.

2. Tenure

- 2.1 The homes delivered through this fund will be affordable/low-cost housing to support wider local authority housing and homelessness responsibilities for the remainder of their lifetime.
- 2.2 Tenancies for resettlement properties will be assured (lifetime) tenancies or fixed term tenancies. Temporary Accommodation properties will be let on licenses.
- 2.3 Although 1 of the 4 properties will have to be used for the defined cohort, in the long run they could be used by the wider community. The funding will increase the stock of affordable housing in the borough and assist with meeting housing pressures.

3. LAHF Rounds 1, 2 and 3 update

- 3.1 The Council has previously accepted funding to deliver at least 42 affordable homes through rounds 1, 2 & 3 of the Local Authority Housing Fund. These homes are intended to meet the needs of Ukrainian households fleeing conflict, Afghan households on resettlement schemes and temporary accommodation.
- 3.2 Under rounds 1 & 2 of the Local Authority Housing Fund all 29 properties have been identified, 28 have been acquired and occupied and terms have been agreed on the remaining property. 8 homes are for eligible Afghan households, 14 homes are for Ukrainian households and 7 homes are for use as temporary accommodation.

- 3.3 As part of rounds 1 & 2 of the scheme, 14 Ukrainian Households at risk of homelessness have been housed although it is likely that these would have been housed through the housing register in any case.
- 3.4 Working closely with Norfolk County Council's Persons From Abroad Team, 4 eligible Afghan families have been housed with a further nomination received for the remaining LAHF 2 property
- 3.5 Due to a lack of nominations from the Home Office initially, MHCLG agreed the Council could use homes acquired for Afghan Households for general needs purposes on the basis that properties from the general needs stock will be provided if required. Therefore 3 properties acquired for eligible Afghan households have now been used for general needs.
- 3.6 The Council accepted funding to deliver 12 properties through round 3 of the Local Authority Housing Fund. All 12 homes have been identified and terms and conditions have been agreed on the properties. 4 of the properties are for eligible Afghan households and 8 properties are for use as temporary accommodation. The properties will be delivered by the deadline of 31st March 2026.
- 3.7 Working closely with Norfolk County Council's Persons From Abroad Team, nominations have been received for 2 of the 4 LAHF 3 properties for eligible Afghan households.
- 3.8 As part of the Spending Review in June 25, the Government announced a further £950 million for the fourth round of LAHF. Further details are yet to be announced of how this funding will be allocated.

4. Options Considered

- 4.1 The following 3 options were considered as part of the September 24 Cabinet report and remain appropriate now:
- Option 1 – Accept the funding and deliver the properties in partnership with the Council's wholly owned Registered Provider, West Norfolk Housing Company
 - Option 2 – Accept the funding and seek to work with an alternative Registered Provider
 - Option 3 – Turn down the funding
- 4.2 **Option 1** – The Council can choose to accept the additional grant from MHCLG and work with West Norfolk Housing to provide the additional 4 homes under the terms set out above or reject the grant. Subject to the agreement of West Norfolk Housing Company, homes could be acquired using grant funding from this fund along with debt financing and any other appropriate funding streams. This aligns with West Norfolk Housing Company's Business Plan.
- 4.3 The potential to work with West Norfolk Housing Company to acquire homes from the Council's developments provides a high level of certainty and control

and gives confidence that the timescales can be met along with greater control over the future use of the units.

- 4.4 West Norfolk Housing Company have a track record of providing temporary accommodation and are committed to assisting the Council to meet its priorities in relation to homelessness and the provision of suitable temporary accommodation.
- 4.5 **Option 2** - Whilst there are a small number of Registered Providers operating in the borough which could potentially deliver the properties, the timescales and type of accommodation to be delivered under the fund are challenging. Additionally, this option would not provide the same level of certainty and control as working with West Norfolk Housing.
- 4.6 **Option 3** - If the Council chose to reject the funding due to the required terms including the timescales, it could endeavour to provide additional accommodation without this funding to respond to the increased housing pressures that are being experienced. This would have greater capital funding implications for the Council and reduce deliverability.
- 4.7 Option 1 is recommended as it provides the greatest certainty and control over delivery and being able to comply with the terms of the grant funding. It also secures above average levels of central government grant funding to increase the provision of affordable housing in the borough and help relieve homelessness pressures. This supports key objectives in the Councils Homelessness and Rough Sleeping Strategy 2024-2029 ie increasing supply of affordable accommodation and reducing the use of Bed and Breakfast accommodation for homeless households.

5 Policy Implications

- 5.1 Due to the eligibility criteria for the fund, 1 of the homes must be allocated to eligible homeless Afghan households. On 27th June 2023 Cabinet endorsed a Local Lettings Plan to be used to allocate homes acquired through LAHF Round 1, including 2 homes for Afghan families.
- 5.2 This lettings plan will be extended to cover the homes for Afghans funded through future LAHF funding. In accordance with the Council's Social Housing Allocations Policy, this will need to be approved by the West Norfolk Homechoice panel. The remaining 3 temporary accommodation properties will be used to accommodate homelessness households in accordance with Homelessness legislation.

6 Financial Implications

- 6.1 Based on an indicative mix of units, It is estimated that the total cost of acquiring the 4 homes on the Florence Fields development will be £990,000. Based on this,

match funding of £422,000 will be required. Unlike previous rounds of the fund, there are no limits on the percentage of costs which can be covered by the grant.

6.2 The Affordable Housing Value of the 4 homes based on the indicative mix is estimated to be around £444,000 indicating that the scheme will provide good value for money as the affordable housing value is broadly in line with the match funding required.

6.3 Match funding could come from various sources including the following;

- Borrowing by West Norfolk Housing Company covered by the rental income from the properties.
- Other available sources of capital funding
- Other funding sources related to Afghan resettlement.

6.4 West Norfolk Housing are in the process of agreeing financing arrangements with the Council which would enable to company to pay the market value of the properties using a mix of the grant and borrowing. If these arrangements are not in place prior to the delivery of the properties to be identified, the Council will consider deferring an element of the market value on the basis that the net rent received by the company is transferred to the council until full payment is made. Whilst this would result in a delay to the council receiving capital receipts for the properties, it is anticipated that the rental income would cover the Council's borrowing costs.

6.5 The 3 properties acquired for temporary accommodation will be used by the Council to help meet statutory homelessness duties. This will help reduce the council's need for inappropriate Bed and Breakfast accommodation. An additional 3 units of temporary accommodation for families would provide more appropriate accommodation for homeless families and could save the council up to £52,500 per year in bed and breakfast costs. This supports one of the key objectives of the Council's Homelessness and Rough Sleeping Strategy 2024-2029 (to reduce use of bed and breakfast accommodation).

6.6 The recommended option (Option 1) will not have a negative financial impact on the council's capital programme. As the units will either be purchased by West Norfolk Housing Company at open market values or in the event that West Norfolk Housing Company finance arrangements are not in place as set out in paragraph 6.4, the net rent received will cover the Councils borrowing costs until full payment is made.

6.7 There are no additional revenue expenditure implications for the Council.

7 Personnel Implications

7.1 None

8 Environmental Considerations

8.1 Due to forthcoming regulations relating to energy efficiency, it is essential that homes acquired have EPC rating of C or above.

9 Statutory Considerations

9.1 The fund will provide accommodation which will assist the Council to meet its statutory homeless duties

10 Equality Impact Assessment (EIA)

(Pre screening report template attached)

11 Risk Management Implications

11.1.1 The potential risks and implications associated with the grant are discussed below:

11.1.2 The target date for completion is challenging and failure to deliver homes may lead to funding being clawed back. This can be mitigated by delivered homes through the councils' development.

11.2 The following are associated risks of not taking the funding:

11.2.1 Risk of losing opportunity to add to affordable housing stock

11.2.2 Risk of not meeting the housing needs of the funds eligible households and fulfilling statutory functions.

11.2.3 Risk of not meeting wider housing and homelessness pressures

11.2.4 These would risk the increasing use of inappropriate and expensive temporary accommodation in particular bed and breakfast.

11.2.5 These associated risks both risk the increasing use of inappropriate and expensive temporary accommodation in particular bed and breakfast.

12 Declarations of Interest / Dispensations Granted

Duncan Hall, Director of West Norfolk Housing Company

13 Background Papers

<https://www.gov.uk/government/publications/local-authority-housing-fund-round-3/local-authority-housing-fund-round-3-prospectus-and-guidance#contact-and-documents>

Stage 1 - Pre-Screening Equality Impact Assessment

For equalities profile information please visit [Norfolk Insight - Demographics and Statistics - Data Observatory](#)

Name of policy/service/function	Delivery of Affordable Homes through further allocation to Round 3 of the Local Authority Housing Fund				
Is this a new or existing policy/service/function? <i>(tick as appropriate)</i>	New		Existing	X	
Brief summary/description of the main aims of the policy/service/function being screened. Please state if this policy/service is rigidly constrained by statutory obligations, and identify relevant legislation.	Delivery of 4 homes using additional grant allocation from Local Authority Housing Fund Round 3 to provide 3 properties for use as temporary accommodation and 1 property for eligible Afghan households in line with eligibility criteria set by fund. The homes will help the council respond to increased homelessness pressures and will be used to meet the wider housing needs of the borough in the longer-term. Delivery of homes must be in accordance with the prospectus for the fund.				
Who has been consulted as part of the development of the policy/service/function? – new only <i>(identify stakeholders consulted with)</i>					
Question	Answer				
<p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group. NB. Equality neutral means no negative impact on any group.</p> <p><i>If potential adverse impacts are identified, then a full Equality Impact Assessment (Stage 2) will be required.</i></p>		Positive	Negative	Neutral	Unsure
	Age			Y	
	Disability			Y	
	Sex			Y	
	Gender Re-assignment			Y	
	Marriage/civil partnership			Y	
	Pregnancy & maternity			Y	
	Race	Y			
	Religion or belief			Y	
	Sexual orientation			Y	
	Armed forces community			Y	
	Care leavers			Y	
Other (eg low income, caring responsibilities)	Y				
Please provide a brief explanation of the answers above:					

Question	Answer	Comments
2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?	Yes	The delivery of 1 home through the fund for eligible Afghan households could be seen as favoring these households over established local communities.
3. Could this policy/service be perceived as impacting on communities differently?	Yes	Perception that this could negatively impact on established communities although not the case as homes would be delivered as affordable housing without the funding
4. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions? If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section	Yes / No	Actions:
		Actions agreed by EWG member:
<p>If 'yes' to questions 2 - 4 a full impact assessment will be required unless comments are provided to explain why this is not felt necessary:</p> <p>Full EIA completed</p> <p>Decision agreed by EWG member:Louise Gayton.....</p>		
5. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?	Yes / No	Please provide brief summary:
Assessment completed by:	Karl Patterson	
Name		
Job title	Housing Development Manager	
Date completed	8/7/2025	
Reviewed by EWG member	Louise Gayton	<div>Date</div> <div>11th July 2025</div>

☐ Please tick to confirm completed EIA Pre-screening Form has been shared with Corporate Policy (corporate.policy@west-norfolk.gov.uk)