

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		Yes	
		Is it a Key Decision		Yes	
Lead Member: Cllr Sam Sandell E-mail:		Other Cabinet Members consulted:			
		Other Members consulted:			
Lead Officer: Nikki Patton E-mail: Nikki.patton@west-norfolk.gov.uk Direct Dial:		Other Officers consulted: Michelle Drewery, S151 Officer Alexa Baker, Assistant Director for Legal & Licensing (Monitoring Officer)			
Financial Implications YES	Policy/ Personnel Implications YES	Statutory Implications YES	Equal Impact Assessment YES If YES: Pre-screening/ Full Assessment	Risk Management Implications YES	Environmental Considerations Yes

Date of meeting: 8th February 2023

LOCAL AUTHORITY HOUSING FUND

Summary

This report provides information on the funding offered to BCKLWN in December 2022 through Local Authority Housing Fund (LAHF). The programme has been established by the Department for Levelling Up, Housing and Communities (DLUHC) to support Local Authorities to acquire homes to accommodate households with housing needs who have arrived in the UK via Ukrainian and Afghan resettlement and relocation schemes.

The Council has been offered grant to acquire 14 homes for Ukrainian households and 2 larger properties for Afghan households. 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 DLUHC based on the attached prospectus for the Local Authority Housing Fund (see appendix 2). Authority is delegated to the Chief Executive in consultation with the Portfolio Holder for Housing People and Communities to agree the final terms of the Memorandum of Understanding with DLUHC.
2. The Council will accept the total sum of £1,719,141 offered to the Council by DLUHC under the Local Authority Housing Fund to deliver the programme understanding the 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. The Council requests that West Norfolk Housing Company works with the Council to deliver the properties through the fund.
5. Cabinet agrees to the principle of allocating properties acquired through the fund to eligible Ukrainian and Afghan households. A further report setting out a policy approach will follow separately.
6. Authority is delegated to the Assistant Director Programme & Project Delivery to
 - a. alter the proposed NORA 4 tenure mix, originally agreed by Cabinet on the 4th February 2020 (CAB 106), where necessary, to facilitate the disposal of properties previously identified as Private Rent and/or Open Market Sale, to West Norfolk Housing Company (WNHC) as affordable housing
 - b. negotiate the terms of any disposal with West Norfolk Housing Company.

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 The Department for Levelling Up, Housing and Communities announced the Local Authority Housing Fund in December 2022. The funding is designed to support selected local authorities to obtain and refurbish (where necessary) property in order to provide sustainable housing for those unable to secure their own accommodation who are here under the following schemes:

- Afghan Citizen Resettlement Scheme (ACRS),
- Afghan Relocations and Assistance Policy (ARAP),
- Ukraine Family Scheme,
- Homes for Ukraine and the
- Ukraine Extension Scheme

1.2 The fund will ensure these schemes that offer sanctuary to those fleeing conflict provide sufficient longer-term accommodation to those they support and support areas with housing pressures which have welcomed substantial numbers of Ukrainian refugees so that these areas are not disadvantaged by increased pressures from these arrivals on the existing housing and homelessness systems particularly as sponsorship/family placements/bridging accommodation arrangements come to an end.

- 1.3 The fund will also enable effective resettlement and economic integration of the eligible households and deliver accommodation which can be used to support wider local authority housing and homelessness responsibilities to UK nationals after usage by these households.
- 1.4 Funding has been allocated to local authorities based on a formula taking into account the number of Ukrainian arrivals per 1000 population and the level of housing pressure. BCKLWN have been allocated £1,344,000 to provide a minimum of 14 homes for households on the Ukrainian schemes and £375,141 to provide a minimum of 2 larger 4+ bed homes to be allocated to households on the Afghan schemes. This amounts to a total allocation of £1,719,141 to deliver a minimum of 16 homes. Local authorities accepting the funding are expected to deliver on both elements of the funding.
- 1.5 This fund will complement the existing Afghan resettlement scheme delivered by Norfolk County Council.
- 1.6 To date, 193 households have arrived in West Norfolk as part of the Homes for Ukraine scheme. The majority of these households remain with sponsors/hosts with many nearing the end of a 12-month host period and will therefore require alternative housing options. The expectation is that many of these households will have their housing needs met through the private rented sector. However, a proportion are likely to require housing assistance from the Council. This modest number of additional affordable homes will help to accommodate those in the highest need. The number of arrivals through the Family Scheme is unknown.
- 1.7 The 4+ bed homes will be provided to larger Afghan families currently in Home Office bridging accommodation who are being resettled via the Afghan Resettlement schemes mentioned above. There are around 9,200 people currently living in this type of accommodation although none currently in this borough. The provisional funding allocation is dependent on a commitment to provide two 4+ bed homes for eligible Afghan households currently residing in bridging accommodation.
- 1.8 The target date for delivery of homes is 30th November 2023. There is an expectation that contracts to acquire homes will be exchanged by this date. Funding will be honoured as long as delivery is by March 2024. Due to the timescales, the expectation is that most homes will be delivered through acquiring existing private stock or homes on new developments currently under construction. Whilst these timescales are challenging, it will ensure that the homes can respond to the needs of eligible households.
- 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. Properties for eligible Ukrainians will be a mix of 1-4 bedrooms homes taking into

account the family make-up of households that have arrived through the Homes for Ukraine scheme and property availability. 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 condition, ongoing maintenance costs and energy efficiency of properties.

- 1.10 The approach will be to assess the suitability of properties available on the open market taking into account the above factors. This approach will add an additional 16 properties to the affordable housing stock.
- 1.11 The Council has the opportunity to use the funding to provide homes via its own developments. This includes the NORA 4 development on which 23 homes remain under construction and will be completed prior to November 23. This includes properties earmarked to be let at private rents by West Norfolk Property Ltd. There is a possibility that rather than this, some of these homes could be acquired as affordable housing through the fund. This option mitigates the risk of not meeting the delivery timescales of the fund i.e. 30th November 2023.
- 1.12 In order to accept the funding, the Council is required to sign a Memorandum of Understanding (MOU) prior to 15th March 2023. The 1st tranche of funding (30% of the allocation) will be released shortly after entering into the MOU with the remaining allocation paid once 60% of the initial tranche has been spent. Failure to sign the MOU by 15th March 2023 may result in part or all of the council's allocation being re-allocated.
- 1.13 There may be opportunities for the council to obtain additional funding for the delivery of additional homes. In this event, a further report will be presented to Cabinet.

2. Tenure

- 2.1 It is expected that all 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 could be either assured (lifetime) tenancies or fixed term tenancies. Refer to Policy Implications section of the report (section 4).
- 2.3 Whilst the homes could be delivered as private rented housing at reduced rents, the above requirements are more aligned with social housing and there may be subsidy control issues if the funding is used by an organisation other than a Registered Provider of Social Housing. Further if properties are disposed of, the funding will continue to be required to be used for affordable housing.

- 2.4 Whilst there are a number of Registered Providers operating in the borough through which the properties could be delivered, working with West Norfolk Housing Company provides a high level of certainty and control over delivery of homes and meeting funding timescales along with control over future use of the homes.
- 2.5 Therefore, it is recommended that the homes are provided through the Council's wholly owned Registered Provider of Social Housing, West Norfolk Housing Company. Subject to the agreement of West Norfolk Housing Company, homes will be acquired using grant funding from this fund along with debt financing and any other appropriate funding streams.
- 2.6 The fund provides the opportunity to deliver additional affordable housing to assist with housing pressures. The Council will need to address the housing needs of arrivals from Ukraine with or without this funding.
- 2.7 Although the 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. The properties will provide an income which can cover any borrowing requirements.

3. Options Considered

- 3.1 The Council can choose to accept the grant from DLUHC and provide the 16 homes under the terms set out above or reject the grant.
- 3.2 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 capital funding implications for the Council. The Council's option to use an alternative Registered Provider of Social Housing to West Norfolk Housing Company is dealt with in section 2 of the report.
- 3.3 Whilst the timescales required are challenging, the potential to acquire homes from the Council's developments leads to a high level of confidence that they can be met. Therefore, it is recommended that the Council accepts the funding and deliver them via West Norfolk Housing Company.

4. Policy Implications

- 4.1 Due to the eligibility criteria for the fund, there are implications in relation to the council's existing allocations policy. An additional policy for the allocation of homes provided through the fund will be prepared and will be presented at a later date. This policy will also cover the type of tenancy to be granted including the tenancy term.
- 4.2 Households eligible for homes provided through the scheme are those on the schemes listed in paragraph 1.1 who are homeless, at risk of homelessness or who live in unsuitable temporary accommodation (including bridging accommodation). Consideration will also need to be given to prioritise households based on who is most in need when matching eligible households with properties.

5. Financial Implications

- 5.1 The grant funding can amount to up to an average of 40% of capital costs (50% for homes for the Afghan scheme) plus £20k per property. This means there is a requirement for match funding.
- 5.2 The grant allocation is based on an average purchase price of £190,000 (£335,141 for homes for the Afghan scheme). Based on these averages, match funding of £1,611,141 would be required to provide the 16 homes. However, if the average purchase prices exceeded these amounts, the match funding required would be greater.
- 5.3 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 Ukraine resettlement
- 5.4 The options under consideration will not have a negative financial impact on the council's capital programme. However, an amendment will need to be made to the capital programme to reflect the capital requirements of the scheme.
- 5.5 There are no additional revenue expenditure implications for the Council.

6. Personnel Implications

- 6.1 None

7. Environmental Considerations

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

8. Statutory Considerations

- 8.1 The fund will provide accommodation which will assist the Council to meet its statutory homelessness duties.

9. Equality Impact Assessment (EIA)

- 9.1 Pre-screening report attached. Full EIA to follow.

10. Risk Management Implications

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

10.1.1 The target date for completion is challenging and failure to deliver homes within the 2023/24 financial year may lead to funding being clawed back. This can be mitigated by delivered homes through the councils' developments.

- 10.2 The following are risks of not taking the funding

10.1.2 Risk of losing opportunity to add to affordable housing stock

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

10.1.4 Risk of not meeting wider housing and homelessness pressures

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

11. Declarations of Interest / Dispensations Granted

Cllr Blunt – Director of West Norfolk Housing Company

Duncan Hall - Director of West Norfolk Housing Company

Lorraine Gore – Company Secretary for West Norfolk Housing Company

12. Background Papers

Appendix 1 - Pre-Screening Equality Impact Assessment

Borough Council of
**King's Lynn &
West Norfolk**



Name of policy/service/function	Delivery of homes through Local Authority Housing Fund				
Is this a new or existing policy/service/function?	New				
<p>Brief summary/description of the main aims of the policy/service/function being screened.</p> <p>Please state if this policy/service is rigidly constrained by statutory obligations</p>	<p>Delivery of 16 homes using grant allocation from Local Authority Housing Fund to provide accommodation for eligible Ukrainian and Afghan households in line with eligibility criteria set by fund.</p> <p>The homes will help the council respond to increased pressures as a result of these arrivals and will be used to meet the wider housing needs of the borough in the longer-term</p> <p>Delivery of homes must be in accordance with the prospectus for the fund (see appendix 2)</p>				
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 according to their different protected characteristic, 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.</p> <p>NB. Equality neutral means no negative impact on any group.</p>		Positive	Negative	Neutral	Unsure
Age				Y	
Disability				Y	
Gender				Y	
Gender Re-assignment				Y	
Marriage/civil partnership				Y	
Pregnancy & maternity				Y	
Race	Y				
Religion or belief				Y	
Sexual orientation				Y	
Other (eg low income)	Y				

Question	Answer	Comments
<p>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?</p>	Yes	The delivery of homes through the fund could be seen as favouring eligible households from Ukraine and Afghanistan over established local communities.
<p>3. Could this policy/service be perceived as impacting on communities differently?</p>	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
<p>4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?</p>	Yes	Aims to tackle disadvantage faced by Ukrainian and Afghan households that have arrived in UK via resettlement schemes. Households may be at disadvantage when accessing housing due to difficulties in obtaining references and guarantors
<p>5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions?</p> <p>If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section</p>	No	<p>Actions: N/A</p>
		<p>Actions agreed by EWG member:</p> <p>.....</p>
<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>Agreed that full impact assessment is required.</p> <p>Decision agreed by EWG member: <i>B. Box</i></p>		
<p>Assessment completed by:</p> <p>Name</p>	<p>Nikki Patton</p>	
<p>Job title</p>	<p>Housing Strategy Manager</p>	
<p>Date</p>	<p>25/1/23</p>	

Appendix 2 – Local Authority Housing Fund Prospectus