

STROUD DISTRICT COUNCIL

HOUSING COMMITTEE

TUESDAY, 6 FEBRUARY 2024

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| Report Title | Local Authority Housing Fund - further bid opportunity | | | |
| Purpose of Report | Following Committee decisions on 31 st January and 19 th September 2023 approving the submission of capital bids to Department for Levelling Up, Housing and Communities for the purchase of accommodation to be held in the Housing Revenue Account for people fleeing conflict, a further short-notice bid opportunity has arisen to take up funds unspent elsewhere. The deadline for this was 19 th January 2024. This report is to formally report the bid to Committee and request approval for the additional capital budget required. | | | |
| Decision(s) | The Committee RESOLVES to note the Local Authority Housing Fund bid submission to DLUHC for the purchase of accommodation to be held within the HRA and accept the grant funding should the bid be successful. | | | |
| Consultation and Feedback | Strategic Leadership Team and the Committee Chair and Vice-Chair have been consulted. They have given their support to the bid. | | | |
| Report Author | Pippa Stroud, Head of Housing Solutions Lucy Clothier, Accountancy Manager Email: pippa.stroud@stroud.gov.uk lucy.clothier@stroud.gov.uk | | | |
| Options | A decision could be made to withdraw the bid from the fund; however, this would mean that we would lose the opportunity to add to housing stock, which would limit out options to provide settled housing for those fleeing conflict. | | | |
| Background Papers | Housing Committee 31 January 2023 Housing Committee 19th September 2023 | | | |
| Appendices | None | | | |
| Implications (further details at the end of the report) | Financial | Legal | Equality | Environmental |
| | Yes | Yes | No | No |

1. Introduction / Background

- 1.1 In January 2023 the Government launched a new Local Authority Housing Fund (LAHF) to assist Local Authorities to provide accommodation to families with housing needs who have arrived in the UK via Ukrainian and Afghan resettlement and relocation schemes. The intention of the LAHF is to address immediate pressures as well as increasing the stock of affordable homes for the future.
- 1.2 As well as helping to fulfil the UK's humanitarian duties to assist those fleeing war, this fund is intended to reduce the impact of new arrivals on existing housing pressures and ultimately create a lasting legacy for domestic households by providing a new and

permanent supply of accommodation for local authorities to help address local housing and homelessness pressures. The Government expects up to 4,000 properties in total would be provided through this fund.

- 1.3 The Council successfully bid for £1.8m under the LAHF and a Memorandum of Understanding with government was entered into in February 2023.
- 1.4 In June 2023 the Government introduced a further bid round for the scheme, the Council being invited to bid for up to an additional £723,050 for one unit of temporary accommodation and four permanent homes, to be used initially for households on Afghan resettlement schemes.
- 1.5 Accordingly, a further bid was submitted for £578,440 to purchase four permanent homes. It was decided that we would be unable to bid for the temporary accommodation element due to a lack of capacity to provide the intensive management required for such accommodation. The bid for £578,440 was successful.

2. Main Points

- 2.1 On 5th January 2024 the Council was contacted by DLUHC and offered a further opportunity to bid for funds unspent elsewhere. The deadline to submit an expression of interest for these additional funds was 19th January 2024, with a property purchase deadline of 31st March 2024.
- 2.2 Fortunately, there is already a property in the process of being purchased using Right to Buy funds. The funding of this property can be switched to the LAHF, thus ensuring a completion of the purchase before 31st March 2024. A further property can then be purchased using the Right to Buy funds at a later date.
- 2.3 The grant amount applied for is £113k, which would be approximately 40% of the purchase cost of the property and any immediate works required. The remainder will be funded through borrowing.

3. Conclusion

- 3.1 In summary, the Government is offering further grant funding to part-fund the purchase of one additional property to house those fleeing conflict. The property will form an addition to HRA stock, with the intention that it would then be available to any households in housing need once the current refugee crisis has passed.
- 3.2 The purchase of properties for both the LAHF 1 (fifteen properties), LAHF 2 (four properties) and one RTB buy back have progressed well. At the time of drafting the purchase of 16 properties have completed (6 of which were acquired as part of a bulk purchase of 6 from a developer). 4 properties have had offers accepted and solicitors have been instructed. The deadline for the completion of these 4 properties is 29th March which we fully expect to meet.
- 3.3 There is likely to be a further full bid round for the LAHF in 24/25; a further report will be brought to Committee if this opportunity arises.

4. Implications

4.1 Financial Implications

The purchase of this property is already within the approved capital programme. This report retrospectively sets out a bid for additional funding in order to provide housing to households fleeing conflict.

The grant bid, if successful, would provide funding at approximately 40% of the purchase and associated costs, with the remaining cost funded by borrowing. This borrowing would be repaid using the future rental income from this property and so does not affect the overall revenue position of the HRA.

As the acquisition of this property is already within the 2023/24 capital programme, the only financial change is that the subsidy for this property would change from Right to Buy Receipts to LAHF grant funding.

Lucy Clothier, Accountancy Manager

Tel: 01453 754343 Email: lucy.clothier@stroud.gov.uk

4.2 Legal Implications

4.2.1 Under s17 of the Housing Act 1985 the Council may purchase houses or other land for housing purposes.

4.2.2 The Council has a general duty to act prudently when purchasing land. To this end, in addition to valuations, appropriate title checks and searches will take place before the Council commits to purchase the property, to ensure that the title the Council acquires is good and marketable. Any concerns on the title will be reported to the Head of Strategic Housing Services for further instruction.

4.2.3 Land transactions are exempted from Stamp Duty Land Tax where the purchaser is a relevant housing provider and one of the following three conditions are met:

- a) the relevant housing provider is controlled by its tenants
- b) the vendor is a qualifying body, or
- c) the transaction is funded with the assistance of a public subsidy

4.2.4 The Council is a relevant housing provider for this purpose, and this purchase will be funded with the assistance of the LAHF, which is a public subsidy. The SDLT Handbook states that the transaction does not have to be fully funded with the public subsidy and that there is no set minimum amount or level of funding required for the exemption to apply. Therefore Stamp Duty Land Tax will not be payable on this transaction.

One Legal

Sian Cheetham, Senior Lawyer

Email: legalservices@onelegal.org.uk

4.3 Equality Implications

An EIA is not required because there are not any specific changes to service delivery proposed within this decision.

4.4 Environmental Implications

There are no significant implications within this category.