

# STROUD DISTRICT COUNCIL

## HOUSING COMMITTEE

31 JANUARY 2023

|  |  |       |          |               |
|--|--|-------|----------|---------------|
| <b>Report Title</b>  | Local Authority Housing Fund bid   |       |          |               |
| <b>Purpose of Report</b>                                       | On 21 <sup>st</sup> December the Government launched the 'Local Authority Housing Fund', a new fund to support Local Authorities with the purchase of properties to house households fleeing conflict in the Ukraine and Afghanistan. Stroud has been given an indicative allocation of £1.8m to purchase 15 properties with a deadline of 25 <sup>th</sup> January to submit an expression of interest and the end of February to complete a Memorandum of Understanding with Department for Levelling Up, Housing and Communities (DLUHC). |       |          |               |
| <b>Decision(s)</b>   | <b>The Committee RESOLVES to approve the submission of a capital bid to DLUHC for the purchase of accommodation to be held within the HRA.</b>   |       |          |               |
| <b>Consultation and Feedback</b>                               | Cross-departmental consultation has taken place with Property Services and Finance.  |       |          |               |
| <b>Report Author</b>   | Pippa Stroud, Head of Strategic Housing Services (Interim)<br>Email: pippa.stroud@stroud.gov.uk  |       |          |               |
| <b>Options</b>   | A decision could be made not to submit a bid to the fund; however, this would mean that we would lose the opportunity to add to housing stock and limit our options to provide housing for those fleeing conflict.   |       |          |               |
| <b>Background Papers</b>                                       | None   |       |          |               |
| <b>Appendices</b>  | None   |       |          |               |
| <b>Implications (further details at the end of the report)</b> | Financial  | Legal | Equality | Environmental |
|  | Yes  | Yes   | No       | No            |

### 1. INTRODUCTION / BACKGROUND

- 1.1 The Government has 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 The LAHF is a £500m capital grant fund in financial years 2022/2023 and 2023/2024 to support selected local authorities in England to obtain and refurbish 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) (collectively referred to as the Afghan Schemes), Ukraine Family Scheme, the Homes for Ukraine and the Ukraine Extension Scheme (collectively referred to as Ukraine schemes).
- 1.3 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.

- 1.4 The fund aims to alleviate housing pressures on local authorities arising from recent and unforeseen conflicts in Afghanistan and Ukraine. As part of the government's humanitarian response to these crises, over 170,000 people have been welcomed to the United Kingdom. This has unavoidably created additional demand for housing at a time when local authorities are already under strain.

## **2. MAIN POINTS**

- 2.1 £1.8m of grant funding, subject to approval, is being provided by the Government to part fund the provision of 15 properties in the Stroud district. Due to the tight timescales involved these would need to be delivered by purchasing more inexpensive properties from the open market, such as properties previously sold under the Right to Buy or new properties from developers, if discounts are available.
- 2.2 The grant funding equates to about 35% of the expected purchase price, with the remainder needing to come from the HRA. It is proposed that £600k is funded from capital receipts (from the sale of garage sites) and £1.6m is HRA borrowing. This borrowing would be serviced from the rental incomes from the homes and so does not put any further financial pressure on the HRA. There will be additional revenue costs associated with these purchases as it will require additional resource, but these costs will be met from the General Fund as the initial purpose of these properties is to house families at risk of homelessness.
- 2.3 For the purposes of this scheme, we are being asked to purchase one larger (four or five bedroom) property. The remainder of the properties are likely to be two- or three-bedroom properties.

## **3. CONCLUSION**

- 3.1 In summary, the government is offering grant funding of £1.8m to part-fund 15 properties to house those fleeing conflict in the Ukraine and Afghanistan. The properties will form an addition to HRA stock, with the intention that they would then be available to any households in housing need once the current refugee crisis has passed.

## **4. IMPLICATIONS**

### **4.1 Financial Implications**

The report above sets out details of significant implications in paragraphs 2.1 and 2.2

Lucy Clothier, Accountancy Manager

Email: [Lucy.Clothier@stroud.gov.uk](mailto:Lucy.Clothier@stroud.gov.uk)

### **4.2 Legal Implications**

Stroud District Council has a general power to acquire land and property under Section 120 of the Local Government Act 1972 and may also rely on section 1 of the Localism Act 2011 where the purchase relates to regeneration and economic/social benefits in the council's area.

The District 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 District Council commits to purchase the properties, to ensure that the title the District

Council acquires is good and marketable. Stamp Duty Land Tax will be payable on completion of the purchases.

Any concerns on the title will be reported to the Head of Strategic Housing Services for further instruction. Ambiguities in, for example, in any occupational lease, may result in unanticipated expenditure by the District Council in the future.

Tel: 01684 272141 Email: [legalservices@onelegal.org.uk](mailto:legalservices@onelegal.org.uk)

#### **4.3 Equality Implications**

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.