

Cabinet

28 January 2025

Local Authority Housing Fund (LAHF)3

For Decision

Cabinet Member and Portfolio:

Cllr G Taylor, Health and Housing

Local Councillor(s):

All

Executive Director:

J Price, Executive Director of People - Adults

Report Author: Paul Derrien/Vikki Jeffrey

Job Title: Housing Enabling and Delivery Team Leader/Senior Housing Funding and Delivery Officer

Tel: 01305 242447/01305 252446

Email: paul.derrien@dorsetcouncil.gov.uk/vikki.jeffrey@dorsetcouncil.gov.uk

Report Status: Public (the exemption paragraph is N/A)

Brief Summary:

The £1.2 billion Local Authority Housing Fund (LAHF) provides capital funding directly to English councils and is expected to provide around 6,900 homes by 2026, including over 1,500 homes for Afghan families on resettlement schemes. This fund allows councils to address immediate needs and in the longer-term will create a lasting legacy for UK nationals by building a sustainable stock of affordable housing for local communities. LAHF Round 3 provides £450 million for a third round of funding with funding being used to deliver temporary accommodation for homeless families, and to provide more permanent housing for those on the Afghan Citizens Resettlement Scheme (ACRS) and Afghan Assistance and Relocation Policy (ARAP).

This report informs Cabinet that Dorset Council has been awarded £1,744,421 capital grant and £12,100 of revenue grant to acquire 10 properties by 31st March 2026. Seven of these properties are to be used as settled housing for households on the ACRS or the ARAP scheme. Three of the properties are to be used as temporary accommodation for those who are homeless or at risk of homelessness.

The Council may pass on the funding to a third party (e.g. Housing Association (HA)) as appropriate to meet the delivery target date, complying with the Subsidy Control Act 2022. For this project Dorset Council would like to appoint a HA to act as a delivery vehicle for the Council in respect of LAHF3. This would mean that the HA would use the grant and its own resources to purchase the 10 properties

1. Approve £1,744,421 to be granted to a HA after a competition process, who will act as the delivery vehicle and purchase the 10 properties using these funds and their own funds. Completion of the purchase of the properties to be finalised 31st March 2026.
2. That a lettings plan is put in place with the successful HA so Dorset Council can ensure the properties are allocated in accordance with the funding requirements.

Reason for Recommendation:

Dorset Council did purchase and now owns the 30 properties that were purchased with the funding granted from the Government as part of LAHF1, 26 of the properties were purchased to house Ukraine refugees and 4 of the properties were purchased to house Afghan refugees in accordance with conditions attached to the grant payment. All of these properties at some future date and on becoming vacant can be used as temporary accommodation to house those who are homeless or potentially homeless. This project was very successful however it took a lot of resource from the Council's Housing and Assets teams to carry out this work. Additionally, the Council is only able to grant non secure tenancies as the Council is not currently a stock holding authority. A requirement of the LAHF3 funding is that the Afghan refugees are offered secure tenancies.

It is therefore recommended that to meet the short deadline offer secure tenancies to the families from Afghanistan the properties are provided, owned and managed by a registered provider.

1. Report

- 1.1 The prospectus for LAHF3 states whilst local authorities will take the lead in their areas, we encourage local authorities to actively consider partnership with housing association partners who may be the most appropriate delivery vehicle to achieve the fund objectives. Housing association stock, development, and disposals pipelines could assist local authorities to deliver this fund, as could their expertise and capacity for stock purchase, management and wraparound support.

Local authorities should ensure that any partners delivering LAHF R3 on their behalf are able meet programme target dates with the grant allocations available.

- 1.2 It is therefore proposed that a competition process takes place whereby the Council will advertise the opportunity to bid to deliver the project. This will be restricted to HA who already operate in the Dorset area. A grant agreement will be drawn up by the Council and will be used as a legal agreement between the Council and the successful HA to ensure that the correct number and type of properties are delivered within the prescribed timescale. Three properties are to be allocated to households that would be eligible for Temporary Accommodation, five properties to households that qualify through the Afghan resettlement criteria and two properties (4+ bed) to households that qualify through the Afghan resettlement criteria. Five of the homes need to be new homes.

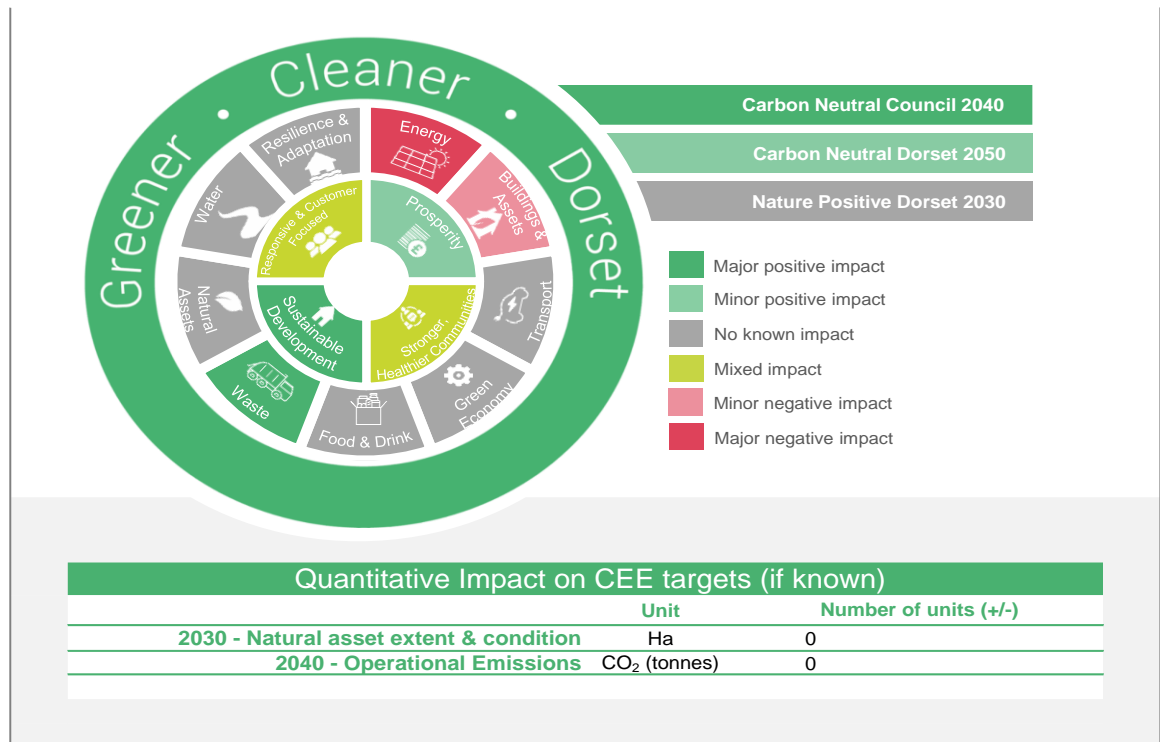
2 Financial Implications

- 2.1 There are no financial implications for the Council.

The agreed funds will be issued to the Council as grant payments under section 31 of the Local Government Act 2003. The funding will be provided to Dorset Council from the government in the following phases: -

The total allocation is to be provided as £556,519 in year 1 (2024- 2025) and £1,217,901 in year 2 (2025-2026).

3 Natural Environment, Climate & Ecology Implications



4 Well-being and Health Implications

- 4.1 This project will increase the amount of affordable housing available to vulnerable groups, including Afghan households relocating into the UK or families facing homelessness. This will help to reduce the use of bed and breakfast accommodation which can impact on health and wellbeing.

5 Other Implications

- 5.1 Accepting this grant will demonstrate that the Council is committed to improving the housing offer to refugee groups. Three of these homes will be used as temporary accommodation which will lead to reduced costs incurred through bed and breakfast use. In the longer term it is possible that more of the homes could be used as temporary accommodation.
- 5.2 Dorset Council has a good track record of delivering housing projects where there is funding from the MHCLG, these include LAHF 1 and various projects to provide more accommodation for rough sleepers. This demonstrates the Council's commitment to increase the housing available for vulnerable people. This increases our chances of more successful bids in the future as well as securing revenue funding to help tackle homelessness.

6 Risk Assessment

- 6.1 HAVING CONSIDERED: the risks associated with this decision; the level of risk has been identified as:

Current Risk: Low

Residual Risk: Low

The risk is low as the Council will draw down the grant in stages as the project commences. If the project stalls, then grant will either be not claimed or returned to MHCLG.

7 Equalities Impact Assessment

Currently being carried out (draft attached)

8 Appendices

Appendix 1 – Equalities Impact Assessment

9 Background Papers

Local Authority Housing Round 3 prospectus - [LAHF 3 prospectus](#)

10 Report Sign Off

- 10.1 This report has been through the internal report clearance process and has been signed off by the Director for Legal and Democratic (Monitoring Officer), the Executive Director for Corporate Development (Section 151 Officer) and the appropriate Portfolio Holder(s)

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