

Cabinet

21 April 2026

Local Authority Housing Fund (LAHF4)

For Decision

Cabinet Member:

Cllr G Taylor, Health and Housing

Local Councillor(s):

All

Senior Leadership Team:

J Price, Executive Director of People - Adults

Report author and job title:

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Statutory Authority: Section 31 of the Local Government Act 2003 and Subsidy Control Act 2022.

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

1 Executive summary

1.1 The fourth round of LAFH (LAHF4) is a national £950m housing programme to run from 2026/27 to 2029/30. The aims of the programme are as follows: -

- 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
- Provide sustainable settled housing for families on the Afghan Resettlement Programme (ARP).

1.2 Dorset Council has been allocated £662,000 of capital grant and £4,796 of revenue grant towards the purchase of four properties. Two of these properties will be for people on the ARP scheme and two properties will be used as TA which will help reduce the need to use bed and breakfast accommodation. Nationally the funding has been prioritised towards areas

with the highest use of unsuitable temporary accommodation. This has led to a low allocation for Dorset.

- 1.3 An expression of interest form has been returned to the Government to confirm our interest in receiving the grant. The Council's Refugee Resettlement Team have confirmed that they are supportive of Dorset Council receiving this funding and would be interested in any further funding which may come available. The properties would need to be delivered in 2026/27 and can be delivered by Dorset Council or in partnership with a Registered Provider (RP).
- 1.4 Dorset Council already has an arrangement with Bournemouth Churches Housing (BCHA) who are successfully delivering the 10 properties funded under LAHF3. We therefore propose to work with them in the same way on LAHF4. Once the funding is received it will be transferred directly to BCHA who will then borrow funds to make up the shortfall. BCHA will own the properties, but the Council will have 100% nomination rights when the properties are allocated.

This report advises Cabinet of the grant that Dorset Council has received as the grant is higher than £500,000. The report also makes recommendations on how the grant is to be dealt with.

- 1.5 Completing this project would meet the Council's strategic priority to provide high-quality and affordable housing. This project would also contribute to the Corporate Plan target of eradicating use of bed and breakfast accommodation for families over the next 5 years.

2 Recommendations

- (a) Approve £662,000 capital and £4,796 revenue to be granted to BCHA, who will act as the delivery vehicle and purchase the 4 properties using these funds and their own funds. Completion of the purchase of the properties to be finalised by 31st March 2027;
- (b) That a lettings plan is in place with BCHA so Dorset Council can ensure the properties are allocated in accordance with the funding requirements.

3. Reason for the recommendations

- 3.1 Dorset Council purchased and now owns the 30 properties that were purchased with the funding granted from the Government and Dorset Council as part of LAHF1. All of these properties at some future date and on becoming vacant can be used as TA 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 LAHF4 funding is that the Afghan refugees are offered secure tenancies.

It is therefore recommended that the properties are provided, owned and managed by an RP specifically BCHA. This will enable us to offer secure tenancies to the families from Afghanistan.

4. Report

- 4.1 The prospectus for LAHF4 states whilst local authorities will take the lead in their areas, local authorities are to actively consider partnership with RP partners who may be the most appropriate delivery vehicle to achieve the fund objectives. RP 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 LAHF4 on their behalf are able to meet programme target dates with the grant allocations available.

- 4.2 The Memorandum of Understanding (MOU) between the Council and the Government states the Council may determine how it uses the total allocation and the revenue funding as long as the delivery target and the new home delivery target are met. The Council may pass on the funding to a third party (e.g. Registered Provider) as appropriate to deliver the delivery target, complying with the Subsidy Control Act 2022. For this project Dorset Council would like to appoint an RP to act as a delivery vehicle for the Council in respect of LAHF4. This would mean that the RP would use the grant and its own resources to purchase the 4 properties
- 4.3 As part of LAHF3 a competition process took place whereby the Council advertised the opportunity to bid to deliver the project which was restricted to RPs who already operate in the Dorset area. A grant agreement was drawn up by the Council and used as a legal agreement between the Council and the successful RP to ensure that the correct number and type of properties were delivered within the prescribed timescale. BCHA's bid for the work was successful and they have since purchased 10 properties in Dorset. BCHA have considerable experience of working on LAHF projects and delivered homes in Plymouth and the BCP Council area. BCHA have confirmed they would be interested in delivering LAHF4 in partnership with the Council. It is therefore recommended that a new grant agreement, based on the existing LAHF3 agreement, is drawn up to be approved by Dorset Council and BCHA for LAHF4 and BCHA deliver the 4 properties.

5. Alternative options considered

- 5.1 Dorset Council could match fund the grant from the Government and buy the properties as happened under LAHF1. This project was very successful. However, the Council cannot grant secure tenancies as the Council is not currently a stock holding authority. A requirement of the LAHF4 funding is that the Afghan refugees are offered secure tenancies.
- 5.2 The Council refuse to participate in LAHF 4. However, this would mean not taking the opportunity to increase the amount of affordable temporary accommodation available at no financial cost to the Council. It is possible that Dorset Council not participating in this project could affect future funding allocations.

6 Legal considerations

- 6.1 Dorset Council has provisionally been identified for capital grant funding under Section 31 of the Local Government Act 2003.
- 6.2 We must ensure that we comply with the Subsidy Control Act 2022.
- 6.3 The grant agreement between Dorset Council and the RP is a legal contract with obligations on both parties. There is currently an agreement between Dorset Council and BCHA and this will be used as a basis for the legal agreement between Dorset Council and BCHA to deliver LAHF4.

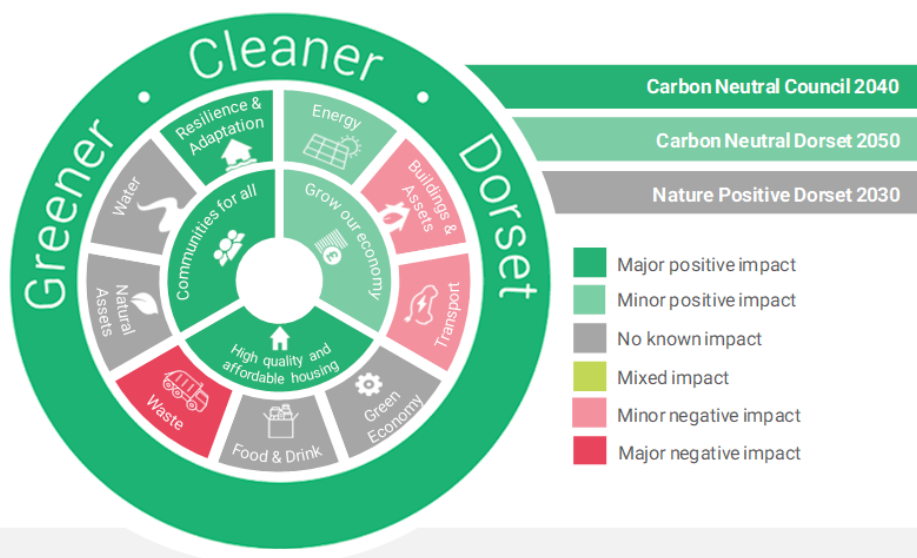
7. Financial implications

- 7.1 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 and this money will then be paid to BCHA.

8. Natural environment, climate & ecology implications

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Quantitative Impact on CEE targets (if known)

	Unit	Number of units (+/-)
2030 - Natural asset extent & condition	Ha	0
2040 - Operational Emissions	CO ₂ (tonnes)	

Natural Environment, Climate & Ecology Strategy Commitments	Impact
Energy	mixed impact
Buildings & Assets	mixed impact
Transport	mixed impact
Green Economy	No known impact
Food & Drink	No known impact
Waste	major positive impact
Natural Assets & Ecology	major negative impact
Water	No known impact
Resilience and Adaptation	major negative impact

Corporate Plan Aims	Impact
Grow our economy	minor positive impact
High-quality and affordable housing	strongly supports it
Communities for all	strongly supports it

9 **Well-being and health implications**

- 9.1 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.

10 **Other implications**

- 10.1 Accepting this grant will demonstrate that the Council is committed to improving the housing offer to refugee groups. Two of these homes will be used as TA 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.
- 10.2 Dorset Council has a good track record of delivering housing projects where there is funding from the Government, these include LAHF1, LAHF3 and various other projects including Single Homeless Accommodation Programme (SHAP) which provided more accommodation for rough sleepers and young people. This demonstrates the Councils commitment to increase the housing available for vulnerable people and increases our chances of more successful bids in the future.

11 **Risk implications**

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

Current Risk: LOW

Residual Risk: LOW

- 11.2 The current risk is low as we already have an agreement with BCHA to deliver the same work and they have done this very successfully. The residual risk is low for Dorset Council as the properties will not be in the ownership of Dorset Council. Any risk associated will be with BCHA.

12. **Equalities**

- 12.1 EQIA has been circulated and approved.

13 **Appendices**

- 13.1 Appendix 1 - EqIA report

14. **Background Papers**

- 14.1 [Local Authority Housing Fund: Round 4 prospectus and guidance - GOV.UK](#)

15 Report sign-off

- 15.1 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)