



Report to: Cabinet Meeting - 11 July 2023

Portfolio Holder: Councillor Lee Brazier, Housing

Director Lead: Suzanne Shead, Director - Housing, Health & Wellbeing

Lead Officer: Julie Davidson, Business Manager - Housing Services, Ext. 5542

Report Summary	
Type of Report	Open report, key decision
Report Title	Local Authority Housing Fund – Request for Delegated Authority
Purpose of Report	To secure delegated authority to enable the Council to fulfil our obligations of the Local Authority Housing Fund to purchase 14 market sale properties in a timely manner between April and November 2023.
Recommendations	That Cabinet approve the following delegated authority: a) purchase of property with a value of £300k or less be delegated to Director - Housing, Health & Wellbeing; and b) purchase of property with a value over £300k be delegated to the Portfolio Holder for Housing, in consultation with the Leader of the Council and Section 151 Officer subject to Key Decision requirements.
Alternative Options Considered	Continue with no delegated authority and fail to meet financial deadlines required to fulfil our obligations of the Scheme
Reason for Recommendations	To enable the Council to fulfil our obligations under the Local Authority Housing Fund Scheme to purchase 14 market sale properties in a timely manner between April and November 2023. The delivery of this scheme aligns with our community plan to “create vibrant and self-sufficient local communities where residents look out for each other and actively contribute to their local area”

1.0 Background

1.1 On 21 December 2022, the Department for Levelling Up, Housing & Communities (DLUHC) announced a £500m Local Authority Housing Fund to provide capital funding

for English councils in areas facing most significant housing pressures as a result of Ukrainian arrivals. Newark & Sherwood District Council were one of the councils provisionally allocated a slice of this funding subject to submitting a validation form and a signed a Memorandum of Understanding.

- 1.2 A special urgency decision was made on 15 March 2023 by the Leader to apply for this funding, so the Memorandum of Understanding could be signed and submitted before the deadline of 15 March 2023. We were notified the following week that our submission had been successful with the first tranche of monies being received on 23 March: £366,557.00. NSDC are the only Council within the county to receive the funding.
- 1.3 The funding is split into two elements: the main element of £1,050,400 to provide 13 homes to assist with alleviation of housing pressures from Homes for Ukraine schemes and a bridging element of £171,457 to provide one four bed (or larger) home to allocate to a household currently in bridging accommodation. These funds are broken down as follows:

	Capital Grant per Unit	Grant represents	Additional grant per unit	No. of homes	Total grant available
Main Element	£60,800	40% of capital costs	£20,000	13	£1,050,400
Bridging Element	£151,457	50% of capital costs	£20,000	1	£171,457

- 1.4 The initial purpose of the scheme is to increase provision of affordable housing to those who are homeless, at risk of homelessness, or in bridging accommodation and support Local Authorities with high numbers of placements to mitigate the expected increased pressures on resources which may arise as sponsorship/family placements/bridging accommodation arrangements come to an end.
- 1.5 A desktop exercise was undertaken to explore house prices and stock availability within the district and the grant offered will enable the Council to purchase suitable stock with the ideal purchase price to maximise grant being between £153,000 and £200,000.
- 1.6 All acquisitions will be undertaken in accordance with the Council’s Acquisitions and Disposals Policy. In accordance with standard practice for domestic conveyancing transactions, officers will need to make an offer ‘subject to contract’ when a property is identified. Formal approval will be sought following valuation and due diligence, prior to exchange of contracts. A project group of housing and corporate property has been established with fortnightly meetings in place with legal colleagues being in attendance periodically once conveyancing has commenced. Progress of the scheme will be regularly reported to DLUHC, Council Land & Planning Group and Cabinet.

2.0 Proposal/Options Considered and Reasons for Recommendation

- 2.1 The property market appears buoyant with properties selling quickly so we need to be in a position to make offers on accommodation in a timely fashion; this proposal will allow for streamlined decision making and prompt progression to secure the acquisition.

2.2 The proposal is as follows:

- a) To approve the delegated authority for property purchases under £300k be given to Director for Housing, Health & Wellbeing.
- b) Purchases of £300k and over to be delegated to the Portfolio Holder for Homes & Health in consultation with the Leader of the Council and Section 151 officer subject to Key Decision requirements.

3.0 **Implications**

In writing this report and in putting forward recommendations, officers have considered the following implications: Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding and Sustainability, and where appropriate they have made reference to these implications and added suitable expert comment below where appropriate.

3.1 **Financial Implications (FIN23-24/631)**

The Capital Programme has the following budget:

	Main Element £	Bridging Element £
Expenditure	2,860,000	270,000
<i>Financed by:</i>		
Grant	1,050,400	171,457
Borrowing	1,809,600	98,543
Total	2,860,000	270,000

Within the main fund, the budget of £2,860,000 allows for 13 properties to be purchased at a maximum of £220,000 (including SDLT and Legal costs).

As per paragraph 1.5, the properties are likely to be range from £153,000 to £200,000. There is an additional £20k allocated per unit to cover any remedial, legal and stamp duty costs – this is not limited to £20k per property as long as overspend doesn't exceed £260k across the whole portfolio purchase.

Monitoring of the purchases will take place throughout to ensure they remain within the delegated authority and the overall budget.

3.2 **Equalities Implications**

Given the purpose of the funding as outlined in 1.4; the accommodation funded should increase the availability of accommodation in the first instance for that cohort of people. In order to make the best use of properties acquired we will direct match families to the most suitable accommodation. This is in line with our Allocation Scheme and the approach we use to housing homeless households who are identified as priority need. An Equality Impact Assessment will be undertaken.

After the immediate housing needs of this cohort are met and the accommodation is no longer required for the purpose it was originally intended these properties will be reviewed and decisions made regarding maintaining as general fund stock to support our homelessness temporary accommodation duties or increase our HRA stock.

3.3 **Tenant Implications**

It is proposed to use rolling monthly periodic assured shorthold tenancies, with an initial starter period of 6 months (during which the levels of support and assistance the family require can be assessed) for this accommodation to allow for maximum flexibility for the tenants, to encourage move on to secure, settled housing at a time when they are ready rather than the length of tenancy determining this progression. Legal advice on this approach is being sought and a specific policy will be put in place to provide transparency.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None