

Notice of KEY Executive Decision

Subject Heading:	Acceptance of £2.328m funding from the DLUHC Local Authority Refugee Housing Fund Round 2
Decision Maker:	<i>S151 Officer – Kathy Freeman</i>
Cabinet Member:	<i>Councillor Keith Darvill – Cabinet Member for Climate Change & Housing Need</i>
SLT Lead:	<i>Patrick Odling-Smee – Director of Living Well</i>
Report Author and contact details:	<i>Troy Atkin – Refugee & Crisis Response Programme Manager</i> Troy.Atkin@havering.gov.uk
Policy context:	<i>This decision supports the Council’s ambitions for providing genuinely affordable housing</i>
Financial summary:	<i>This report requests acceptance of £2.328m DLUHC grant funding for 12 property acquisitions, capped at 40% of the final cost</i>
Reason decision is Key	<i>(a) Expenditure or saving (including anticipated income) of £500,000 or more</i>
Date notice given of intended decision:	<i>5th October 2023</i>

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Relevant Overview & Scrutiny Committee:	<i>Places Overview & Scrutiny</i>
Is it an urgent decision?	<i>No</i>
Is this decision exempt from being called-in?	<i>No</i>

The subject matter of this report deals with the following Council Objectives

People - Things that matter for residents

Place - A great place to live, work and enjoy (X)

Resources - A well run Council that delivers for People and Place.

Place an X as appropriate

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

For the reasons set out within this report and its appendix, it is recommended that the S151 Officer accepts the grant funding of £2.328 million from the Department for Levelling Up, Housing and Communities (DLUHC) under the Refugee Housing Programme. The grant funding will be used to acquire circa 12 affordable homes.

AUTHORITY UNDER WHICH DECISION IS MADE

According to Part 3 of the Council's Constitution "Responsibility for Functions" – S151 Officer Functions –
(m) to accept grants and terms of conditions thereof for and on behalf of the Council

STATEMENT OF THE REASONS FOR THE DECISION

Background:

The Department for Levelling Up, Housing and Communities (DLUHC) launched on 7th June 2023 a £250m fund for the Local Authority Housing Fund (LAHF) Round 2.

The programme aims to provide sustainable housing for those on Afghan Resettlement Schemes (ARAP/ACRS) who currently reside or formerly resided in bridging accommodation and to ease the wider homelessness pressures facing Local Authorities.

The objectives are to:

- Provide housing to those on Afghan Resettlement Schemes at risk of homelessness, recognising that longer-term good quality, affordable housing provides a foundation for families fleeing war and persecution to rebuild their lives.
- Reduce local housing pressures beyond those on Afghan Resettlement Schemes by providing better quality temporary accommodation to families who are owed homelessness duties by LAs.
- To reduce the impact on the existing housing and homelessness systems and those waiting for social housing

The programme offers grant funding to affordable housing providers, such as local authorities, to acquire property to house Afghan Scheme Families for a minimum of five years on an Assured Shorthold Tenancy or until the family leaves the property.

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After three years and if vacated, the acquired properties may be used as general social housing and allocated in line with the Council allocation policy.

The programme presents an opportunity to utilise external grant funding towards the costs of acquisitions, which will provide suitable accommodation for Afghan families and those in temporary accommodation with housing needs and can later become available for UK families. The additional units delivered will increase the supply of good quality affordable housing in the borough, thereby improving housing conditions for all residents. It will also reduce demand for temporary accommodation and therefore the cost to the Council's general fund budget.

The Housing Services Team has a small team of officers already in place working on acquisitions of affordable housing, delivery of the additional homes in this grant bid would be contained within the existing team. The DLUHC affordable housing programme is overseen by the Head of Programme & Support in Regeneration, monitoring of this programme would also fall within the existing arrangements.

Programme requirements:

- Acquisitions must be completed by 31 March 2024
- Properties will be self-contained, no shared accommodation will be funded
- Properties will be maintained to Decent Homes standard after acquisition
- Properties will reach EPC level D
- Furniture and white goods will be provided for residents on the ARAP/ACRS schemes (can be included in capital cost or through existing refugee support programmes)
- Rent levels must be affordable, London affordable or social rent
- 7 properties to be allocated to households that meet the resettlement scheme element eligibility criteria as above
- 5 properties to be allocated to households on the council register that meet the temporary accommodation element eligibility criteria

Eligible cohort definition

The eligible cohort for LAHF homes is those who: are homeless, are at risk of homelessness or live in unsuitable temporary accommodation (including bridging accommodation); and meet any of the criteria given below.

The eligible cohort definition covers households or individuals on any of the following:

- Afghan Citizen Resettlement Scheme (ACRS), who currently reside or formerly resided in bridging accommodation
- Afghan Relocations and Assistance Policy (ARAP)
- Homes for Ukraine Scheme
- Ukraine Visa

LAHF homes can also be provided to families to ease wider homelessness pressures

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An applicant can still be deemed homeless (under Part 7 of the Housing Act) regardless of the accommodation they are in if it is not reasonable for them to continue to occupy that accommodation

Demand for refugee accommodation:

There is national demand for 5,000 homes for Afghan refugees, which are allocated as housing providers present suitable properties.

The Afghan refugee typically consists of larger families, requiring 3 or more bedrooms. Allocation of property should not lead to overcrowding.

Alternative housing solutions are not proving effective for Afghan citizens as private rented accommodation is unaffordable, even with the government support packages available, and hostel and hotel accommodation are not suitable long-term solutions for families.

Where there is a statutory duty to house, a standard five-year fixed term tenancy agreement will be offered to provide longer-term certainty to refugee families.

OTHER OPTIONS CONSIDERED AND REJECTED

Option of not accepting the Grant for the Housing Refugee Programme

This option was rejected as it would be considered a missed opportunity to utilise additional funding towards the provision of affordable housing.

The grant funding reduces the Council's funding requirements from the Housing Revenue Account, as well as allowing alternative funding sources (like 1-4-1 Right to Buy receipts) to be diverted to other affordable housing delivery schemes where grant rates are not as competitive. By utilising competitive rates of external funding wherever possible, we are able to deliver more affordable housing overall.

Using grant funding from this programme also exempts the Council from paying SDLT on RHP acquisitions, in accordance with the government's 'Registered Social Landlord' exemption.

PRE-DECISION CONSULTATION

No formal consultation is required to accept the grant from the DULHC

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

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Name: Troy Atkin

Designation: Refugee and Crisis Response Programme Manager

Signature: 

Date: 12.10.23

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Council has a statutory duty under Section 8 of the Housing Act 1985 to consider housing conditions in its district and the needs of the district with respect to the provision of further housing accommodation.

Section 1 of the Localism Act 2011 gives the Council a general power of competence to do anything an individual can do, subject to any statutory constraints on the Council's powers. The recommendations in this report are in keeping with this power and the Council has the power to receive grant funding.

Under Section 9 of the Housing Act 1985 the Council may provide housing accommodation by acquiring houses. Under Section 17 of that Act the Council may acquire houses, or buildings which may be made suitable as houses, for the purposes of providing housing accommodation.

Section 167 of the Housing Act 1996 provides that every local authority shall have a scheme for determining priorities and as to the procedure to be followed in allocation of housing accommodation. Section 167(8) of the Housing Act 1996 provides that the local authority shall not allocate housing accommodation except in accordance with their allocation scheme.

Section 3.6 of Havering's allocation Scheme makes provisions for Local Lettings Plans.

The grant provision from DLUHC is made to Local Authorities pursuant to section 31 of the Local Government Act 2003 and on certain conditions which officers will ensure to adhere to in order to achieve full utilisation of the funding arrangements and recovery of sums.

In accordance with Regulation 10(1)(a) of the Public Contracts Regulations 2015 (PCR) the purchase of land and existing buildings is not subject to the PCR.

FINANCIAL IMPLICATIONS AND RISKS

Grant rates

DLUHC are providing funding of £2,328m, with £3.6m coming from the HRA Capital Programme, to purchase twelve properties. Seven are for Afghan and Ukrainians refugees, five properties are for general needs use.

The rental charge for these properties will be capped at 80% of local market rent, including the service charges and will be eligible for Housing Benefit.

The grant can be used for up to 40% of the total purchase price of the twelve properties. The 40% includes an allowance of £20,000 for other related costs e.g.

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stamp duty, surveying, legal and other fees, refurbishment, energy efficiency measures, decoration, furnishings etc.

There are no guarantees that the refugee households will move out of the property after the initial tenancy term. If this happens, their housing needs will be assessed in the usual way in accordance with council policies.

Grant Procedures

DLUHC made the first payment of £698,400 in September, with the second tranche due later in the year. Review meetings will be held on a monthly basis to monitor property completions.

The Memorandum of Understanding was signed on the 12th August. This document included details of claw back provisions, where funding may be reclaimed in circumstances where funding conditions are not met. The programme, will be subject to compliance audit.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

There are no Human Resources implications arising from this proposed decision. Both the delivery of acquisitions and programme management functions required for this programme will be contained within existing staff structures in Housing and Regeneration

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, sexual orientation.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the

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Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

The grant funding will benefit individuals and families from Afghanistan and Ukraine that are currently in bridging accommodation or at risk of homelessness, allowing them access to safe and affordable housing through a five year fixed term tenancy. Wraparound support will continue to be provided through other support programmes.

These individuals could be considered at greater risk of exploitation due to language barriers, cultural differences and possible exposure to traumatic events in their country of origin. Many refugees will feel unsettled in a new country and have not yet developed support networks to assist them in times of need.

Benefits for other residents arise after the initial tenancy period where the properties will become available as general needs social housing, increasing the overall affordable housing stock for Havering.

An Equalities Impact Assessment should be undertaken.

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HEALTH AND WELLBEING IMPLICATIONS AND RISKS

Health & Wellbeing Benefits:

Havering Council is committed to improving the health and wellbeing of its residents. The provision of good quality and affordable housing is an important determinant of health and wellbeing as housing impacts both our physical and mental health and wellbeing. Inadequate housing and poorly designed housing is associated with increased risk of ill health including cardiovascular and respiratory diseases, depression and anxiety as well as risk of physical injury from accidents.

Housing conditions, quality, affordability and tenure (particularly for women due to safety issues) in relation to refugees plays an important part in pathways to integration as well as means through which people who are newly arrived in Havering can build a new life (e.g. access to employment, identity, living practices, creation of social networks etc.). A successful grant bid will support Havering's ambitions to provide more good quality, genuinely affordable homes, through the acquisition of 50 additional homes. Increased affordable housing supply will have a positive impact on wider health and wellbeing of the borough's residents.

Health & Wellbeing Risks:

The proposals to increase grant funding for this project do not give rise to any health and wellbeing risks, considerations to be made when allocating properties include safety, cultural appropriateness and equality.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

There are no environmental or climate change implications arising from this report.

As acquired properties will be maintained to Decent Homes Standard and EPC level D, properties are expected to be secure, warm and reasonably energy efficient.

BACKGROUND PAPERS

None

APPENDICES

Appendix A – Local Authority Housing Fund Round 2 Memorandum of Understanding

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Delete as applicable

Proposal NOT agreed because

Details of decision maker

Signed

Name: **Kathy Freeman**

CMT Member title: **Strategic Director of Resources and S151 Officer**

Date:

Lodging this notice

The signed decision notice must be delivered to Committee Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____