



Havering
LONDON BOROUGH

Notice of KEY Executive Decision containing exempt information

This Executive Decision Report is part exempt and Appendices A & B are not available for public inspection as they contain or relate to exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972. They are exempt because they refer to information relating to the financial or business affairs of any particular person (including the authority holding that information), and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Subject Heading:	<i>Acceptance of grant funding from the MHCLG Local Authority Housing Fund Round 4</i>
Decision Maker:	<i>Neil Stubbings - Strategic Director of Place</i>
Cabinet Member:	<i>Councillor Paul McGeary – Lead Member for Housing & Property</i>
ELT Lead:	<i>Paul Walker – Interim Director of Housing & Property</i>
Report Author and contact details:	<i>Danielle Goldsmith – Head of Programme & Support (Housing & Property)</i> <i>T: 01708 433631</i> <i>E: Danielle.Goldsmith@havering.gov.uk</i>
Policy context:	<i>This decision supports the Council's ambitions for providing genuinely affordable housing</i>
Financial summary:	<i>This report requests permission to accept £6,555,654 in grant funding for 32 additional affordable properties, with necessary match funding provided through the HRA</i>

Key Executive Decision – Part Exempt Report

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>6th March 2026</i>
Relevant Overview & Scrutiny Committee:	<i>Places Overview & Scrutiny Sub-Committee</i>
Is it an urgent decision?	<i>This Decision will be made under General Exception Provisions in order to comply with Government deadlines</i>
Is this decision exempt from being called-in?	<i>Permission will be sought from the Chairman of the Overview & Scrutiny Board to waive Call-in</i>

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

People - Supporting our residents to stay safe and well (X)

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

Resources - Enabling a resident-focused and resilient Council

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 Strategic Director of Place accepts the grant funding of £6,555,654 from the Ministry of Housing, Communities and Local Government (MHCLG) under the Local Authority Housing Programme Round 4.

The grant funding will be used to fund the acquisition of 32 affordable homes (buy backs).

To enter into a Memorandum of Understanding with the Ministry of Housing, Communities and Local Government to accept the grant funding.

Subject to the above the Council can enter into the Memorandum of Understanding and accept the funding.

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3.3 of the Council's constitution 'Powers Delegated to Staff' sets out the following in relation to accepting grant funding:

Scheme 3.3.3 – 'Powers common to all Strategic Directors'

Section 5 – 'Grants'

5.1 To apply for, accept and thereafter spend / allocate any grant funding connected with their directorate provided that any match funding or residual liabilities can be met from the existing budget of the directorate.

STATEMENT OF THE REASONS FOR THE DECISION

Background:

MHCLG announced round 4 of the Local Authority Housing Fund in November 2025. The £950m scheme aims to provide local authorities financial support toward temporary accommodation pressures and housing support for refugees.

MHCLG have released allocations to eligible providers based on median property prices in their area. Havering's allocation is for 32 properties, with £6,555,654 grant funding provided.

The remainder of the costs are to be met from the HRA acquisitions budget that was agreed at Cabinet in January 2026 (Appendix 1B – Capital Programme allocations).

The objectives are to:

- Provide sustainable settled housing for some families on the Afghan Resettlement Programme (ARP) so that they can build new lives in the UK, find employment and integrate into communities. Fourteen homes are funded for this element of the programme.
- Reduce local housing pressures by providing quality temporary accommodation to families who are homeless, at risk of homelessness or living in unsuitable temporary accommodation. Eighteen homes are funded for this element of the programme.

Financial Support:

The £6,555,654 grant funding consists of:

- £6,501,000 capital allocation (for acquisition and refurbishment costs)
- £54,654 revenue allocation (toward the cost of staff administering the scheme)

The programme presents an opportunity to utilise external grant funding towards the costs of thirty-two acquisitions, which will provide suitable accommodation for Afghan families and those in temporary accommodation with housing needs. The eighteen earmarked refugee homes can later become available for Havering residents.

The additional units delivered will increase the supply of 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.

Tenancies and Lettings:

There is no minimum length of tenancy required for this funding as it is recognised by MHCLG that each housing case is different.

Key Executive Decision – Part Exempt Report

The properties acquired for the Resettlement Element of the grant must be let to eligible ARP families. In the event a home for the ARP cohort becomes available within a 3-year period of the home coming into use, the home would need to be offered to another ARP family. Beyond that the Round 4 resettlement homes should become available to support wider local authority general housing and homelessness responsibilities after the needs of the eligible cohort have been addressed

Council homes acquired for general homelessness cases will be let with the standard tenancy arrangements, with an introductory tenancy that can lead to a secure tenancy in five years.

The delivery and oversight related to this programme will fall within existing arrangements and current staff capacity.

Programme requirements:

Property type	Year 1 delivery target (2026-27)	Year 2 delivery target (2027-28)	Year 3 delivery target (2028-29)	Year 4 delivery target (2029-30)	Total delivery target
TA element (2-4+bed)	3	5	7	3	18
R4 resettlement element (2-3 bed)	2	2	3	1	8
R4 large resettlement element (4+bed)	1	2	2	1	6
All property types	6	9	12	5	32

- Properties will be self-contained, no shared accommodation will be funded
- Properties will be maintained to a good standard by the local authority
- Rent levels must be affordable, London affordable or social rent
- 14 properties to be allocated to households that meet the resettlement scheme element eligibility criteria as above
- 18 properties to be allocated to households on the council register that meet the temporary accommodation element eligibility criteria

Demand for Refugee Accommodation:

There is national demand for homes for Afghan refugees, which are allocated as housing providers present suitable properties. There is currently a substantial number of these families being housed in temporary accommodation in London

Key Executive Decision – Part Exempt Report

The Afghan refugee cohort typically consists of larger families, requiring three or more bedrooms. The council is often requested to take families into the borough by London Councils and the Home Office. There are still 6000 families require housing.

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 stability to refugee families.

It is expected that the Afghan Citizens will return to their home country once it is safe to do so. Once the housing need for this cohort is resolved, the properties acquired will be made available for local residents via the housing allocations policy.

Programme Management

If the Council decides to accept the grant funding, it will enter into a Memorandum of Understanding (MOU) with MHCLG setting out its commitment to the number of homes to be delivered, grant value and estimated timescales. Both parties have the authority to alter the agreement and any changes should be requested to the other party in writing.

Periodic updates will be provided to MHCLG on the delivery profile and grant expenditure. Any grant claims will be managed in line with the Council's financial processes. Complete records must be maintained in case of future audit.

OTHER OPTIONS CONSIDERED AND REJECTED

Do not accept 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 these acquisitions, in accordance with the government's 'Registered Social Landlord' exemption.

This is also the only known source of grant funding that can be applied to modular-type housing provision.

Key Executive Decision – Part Exempt Report

PRE-DECISION CONSULTATION

No formal consultation is required to accept the grant via this programme

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

Name: Danielle Goldsmith

Designation: Head of Programme & Support (Housing & Property)

Signature:



Date: 6th March 2026

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Council has a general power of competence under Section 1 of the Localism Act 2011 to do anything an individual can do, subject to any statutory constraints on the Council's powers. None of the constraints on the Council's s.1 power are engaged by this decision.

The spending must comply with the terms of the MHCLG Memorandum of Understanding, including any reporting requirements thereunder.

FINANCIAL IMPLICATIONS AND RISKS

The proposed acceptance of £6,555,654 in "LAHF R4" grant funding from the MHCLG Local Authority Housing Fund Round 4 commits the Council to acquiring 32 new homes.

The acquisitions, which include Council match funding, would be financed through the following HRA capital budgets:

1. C30630 – HRA Acquisition Fund – Affordable Housing

The funding comprises £6,501,000 in capital and £54,654 in revenue to contribute towards staffing costs for administering the scheme.

The estimated costs of delivering the 32 homes are detailed in Exempt Appendix A.

As per the agreement, the Council will let the homes to eligible households at an affordable rent, capped at 80% of the market rent (inclusive of service charges).

Key Executive Decision – Part Exempt Report

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

There are no HR implications or risks arising from this decision that impact on the Council or its workforce.

The delivery and oversight related to this programme will fall within existing arrangements and current staff capacity.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

There are no identified equalities or social inclusion risks associated with this decision, and the decision aligns with the Council's commitment to equality.

HEALTH AND WELLBEING IMPLICATIONS AND RISKS

Havering Council is committed to improving the health and wellbeing of its residents.

Access to good quality, secure, affordable housing is an important determinant of health and wellbeing, with insecure, unaffordable, poor quality housing associated with poorer mental and physical health outcomes.

By accepting grant funding of £6,555,654 from MHCLG to deliver 14 affordable homes for Afghan Resettlement Programme and 18 homes for those at risk of homelessness or living in unsuitable temporary accommodation, the Council will be able to address acute housing needs of a number of vulnerable people/families, and in doing so, address negative health and wellbeing impacts and outcomes individuals may have experienced as a result of prior insecure or inadequate housing arrangements.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

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

As Council properties will be maintained to Decent Homes Standard and have a target of achieving EPC level C, properties are expected to be secure, warm and reasonably energy efficient.

BACKGROUND PAPERS

None

Key Executive Decision – Part Exempt Report

APPENDICES

Appendix A	Financial Implications	Exempt
Appendix B	MHCLG Memorandum of Understanding	Exempt

Key Executive Decision – Part Exempt Report

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

Details of decision maker

Signed

Name: Neil Stubbings – Strategic Director of Place

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 _____