

Report to CABINET

Local Authority Housing Fund (LAHF)

Portfolio Holder:

Cllr E Taylor – Cabinet Member for Housing and Licensing

Officer Contact: Paul Clifford – Director of Economy

Report Author: Ben Hill – Housing Delivery Team Leader
Ext. 5261

14 October 2024

Reason for Decision

The Ministry for Housing, Communities and Local Government (MHCLG) have launched a third round of the Local Authority Housing fund to run over the financial years of 2024-25 and 2025-26.

Oldham Council has been offered a funding allocation of £1,506,000. This will deliver 16 homes with 12 specifically temporary accommodation properties of two or more bedrooms. These will provide accommodation to families who are owed a statutory homeless duty by the local authority.

The Council has only received interest from Cromwood Housing to deliver LAHF Round 3, which this report outlines.

As this report demonstrates, a revenue cost of £0.060m per annum will achieve a revenue saving of £0.347m per annum.

Recommendations

It is recommended that Cabinet:

- Confirms acceptance of the grant from MCHLG.
- Approves a capital investment.
- Delegates authority to the Director of Economy to agree and enter into a grant agreement with Cromwood Homes to deliver the homes, subject to the Subsidy Control regime.
- Delegates authority to the Director of Legal Services to formalize any necessary legal requirements including signing and/or sealing any documentation required to give effect to the recommendations and/or delegations in this report.
- Delegates authority to the Director of Economy and/or their nominee to approve the appointment of external legal advisors required to protect the Council's interests and give effect to the recommendations in this report.

Local Authority Housing Fund (LAHF)

1 Background

- 1.1 The Council successfully completed the first round of LAHF in 2023 and secured £1.027 M that was used to deliver 11 homes. The programme was delivered in partnership with Cromwood Homes who purchased the properties and take all responsibility for management and maintenance. The Council retains full nomination rights.
- 1.2 The Ministry for Housing, Communities and Local Government (MHCLG) have launched a third round of the Local Authority Housing fund to run over the financial years of 2024-25 and 2025-26.
- 1.3 Oldham Council has been offered an initial funding allocation of £1,506,000. This will deliver 16 homes including 12 for temporary accommodation.
- 1.4 LAHF grant funding is provided at 40% of the median property price in the allocation area for temporary accommodation. For the larger home, this increases to 50%.
- 1.5 In addition to this, there is an additional £21,000 per property to account for any other costs, for example refurbishment and conveyancing costs. This takes the average grant rate per smaller property to approximately £93,000. The fund also comes with a one-off £10,800 grant of revenue costs.

	Tranche 1 allocation (capital and revenue)	Tranche 2 allocation	Tranche 3 allocation	Tranche 4 allocation	Total allocation
Total capital Funding	£200,700	£468,300	£418,500	£418,500	£1,506,000
Total Revenue Funding	£10,800				£10,800

- 1.6 The council will have 100% allocation rights in perpetuity. Should there no longer be a demand the properties would default to general needs affordable homes allocated via the Housing Register – again with the Council having 100% nomination rights.
- 1.7 A Memorandum of Understanding has been completed between the Council and MCHLG to secure the Grant. The MoU is not legally binding and can be found at Appendix 1.

2 Current Position

- 2.1 While local authorities (LAs) can deliver LAHF independently, MHCLG encourage LAs to work closely with partners, particularly housing associations, who may be the most appropriate delivery vehicle. An expression of interest was circulated

twice to Oldham Strategic Housing Partnership (OSHP) and commissioned providers of temporary accommodation in Oldham. The second EoI process set out that the Council could provide additional grant to make the project viable and this was followed up with direct conversations with partners. No expressions of interest were received from members of OSHP, but discussions with Cromwood advised that whilst the grant levels did not make the project viable, it could be delivered with supplementary funding from the Council.

2.2 In terms of business case for supporting this approach, the most recent review of the 15 highest cost placements were made up as follows –

- 6 placements with a 2 bed need
- 7 placements with a 3 bed need
- 1 placement with a 5 bed need
- 1 placement with a 6 bed need

By placing the 12 current TA placements in housing that properly supports their needs, the Council would avoid approximately £0.347m of potential TA costs.

3 Options/Alternatives

Option 1 – Deliver the programme in with Cromwood Homes

Cromwood will identify, purchase, refurb, manage and maintain the homes. The homes would be available for letting between Nov 2024 and Mar 2025. Cromwood have a strong track record of delivery during the LAHF 1 programme.

Option 2 – Council to Self-Deliver

The Council to retain the MCHLG Grant and self-deliver the programme. This option would require the Council to find an additional £2.145 M. The Council would be responsible for finding the home, purchasing, completing refurbishment works and all on-going management and maintenance. We would own the properties and retain rental income. Capacity and skills for managing the works outlined above would also need to be identified.

Option 3 - Decline grant

The Council could not take part in the scheme and would receive any grant. Any grant received through signing the MoU would be returned to MCHLG.

4 Preferred Option

4.1 Option 1 is the preferred option for the reasons outlined above.

5 Consultation

5.1 The Cabinet Member for Decent Homes has been consulted and is supportive.

6 Financial Implications

6.1 Included in the Part B Report.

7 **Legal Implications**

7.1 Included in the Part B Report.

8 **Equality Impact, including implications for Children and Young People**



8.1 Yes \ IAReport_AbigailBai
ley_05_LAHF.pdf

9 **Key Decision**

9.1 Yes

10 **Key Decision Reference**

11.1 HL-04-24.

12 **Background Papers**

12.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act :

File Ref : LAHF 3
Records held in Economy Department
Officer Name : Ben Hill
Contact No : 0161 770 5261