



WEST OXFORDSHIRE
DISTRICT COUNCIL

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Name and date of Committee	CHIEF EXECUTIVE URGENCY DECISION – 11 AUGUST 2023
Subject	LOCAL AUTHORITY HOUSING FUND ROUND TWO APPLICATION
Wards affected	ALL
Accountable member	Councillor Geoff Saul – Executive Member for Housing Email: geoff.saul@westoxon.gov.uk
Accountable officer	Frank Wilson – Group Finance Director, Publica Email: frank.wilson@publicagroup.uk
Report author	Frank Wilson – Group Finance Director, Publica Email: frank.wilson@publicagroup.uk
Summary/Purpose	To determine whether to support a second round application to the Local Authority Housing Fund (LAHF) and sign the associated Memorandum of Understanding ('MoU')
Annexes	Annex A – Memorandum of Understanding
Recommendation(s)	<p><i>It is recommended that the Chief Executive:</i></p> <ul style="list-style-type: none"><i>a) Approves the signature of the Memorandum of Understanding ('MoU') with government in respect of round two of the Local Authority Housing Fund ('LAHF');</i><i>b) Accepts the further proposal from Cottsway Housing to fulfil the requirements of the LAHF on behalf of the Council in respect of the delivery of a further 4 additional affordable homes;</i><i>c) Continues to pursue additional government funding for a further three units of affordable housing and if offered approves the subsequent amendment to the MoU;</i><i>d) Passports the funding received by the Council to Cottsway Housing underpinned by a funding agreement setting out the relevant grant terms;</i><i>e) Provides funding (if necessary) from relevant refugee budget to fit</i>

	<p><i>out properties to an appropriate standard for affordable provision as set out in paragraph 4.2 of the report;</i></p> <p><i>f) Brings a report back to the Executive to consider an allocation of s 106 funding if the LAHF funding for an additional three units does not come forward from government.</i></p>
Corporate priorities	<ul style="list-style-type: none"> ● A Good Quality of Life for All ● Working Together for West Oxfordshire
Key Decision	YES
Exempt	NO
Consultees/ Consultation	Cottsway Housing

1. BACKGROUND

- 1.1** In February and April 2023 the Executive considered reports which set out the new LAHF aimed at providing housing initially for Afghan and Ukraine families which would then subsequently be recycled into the general affordable housing stock or emergency housing provision.
- 1.2** The Executive resolved to approve an application to the LAHF and the signing of a Mo with the Department of Levelling Up, Housing and Communities to provide a total of thirteen affordable housing units under the scheme and receive funding of £1.813m for this purpose. This was subsequently increased to sixteen units through further discussion with government and further government grant making a total of £2.346m.
- 1.3** The Executive determined, after an options appraisal, that delivery via Cottsway Housing would provide the best value for money for local taxpayers requiring no additional support to be provided by the Council for the acquisition of the houses.

2. MAIN POINTS

- 2.1** Officers continue to work with Cottsway Housing to source the sixteen units of accommodation in line with the grant conditions set out by Government. Despite current housing market conditions this has proven difficult with house builders reluctant to release homes at an appropriate discount to market value for a bulk acquisition at affordable housing rates.
- 2.2** Progress has recently been made which suggests not only can this now be achieved (albeit at higher values than originally intended) but that a small number of additional units could also be procured.
- 2.3** This recent progress is timely as on 7th June 2023 the Government announced a further round of funding to support the Ukraine and Afghan resettlement programmes and ease wider homelessness pressures.
- 2.4** West Oxfordshire was offered a further allocation of £672,000 of funding to deliver a further four units of property and is currently negotiating the potential for a further three units with associated funding. If the additional funding is not forthcoming the Council could determine to utilise other s.106 funding to acquire the units but this would be funding at a level not normally associated for such units via s.106 funds.
- 2.5** If this transaction is successful, as currently indicated, the Council, in partnership with Cottsway, will see the delivery of 20 or 23 additional affordable homes which will become available for general housing needs when the refugee scheme ends.
- 2.6** As mentioned in 2.1 the cost of acquisition of the units has been higher than initially anticipated and consequently fit out of the properties with carpets and 'white goods' is proving problematic within the grant funding.
- 2.7** Whilst Officers continue to work with Cottsway on delivering the 'fit out' within the funding envelope they are also exploring whether the fit out costs can be delivered through

previous refugee funding allocated to the Council which is no longer required for its original refugee purpose. Alternatively Officers can explore with other agencies whether voluntary or other funding is available.

- 2.8** At this stage the government cannot confirm if funding is available for the full 23 units until September. Should this funding not come forward the Council and Cottsway still have the potential to access the additional three units via Homes England and s 106 funding. It is proposed that a report be brought back to the Executive setting out the business case for using s 106 funding to support the acquisition of a further three homes with Cottsway, if necessary.

3. ALTERNATIVE OPTIONS

- 3.1** The Council could choose not to seek the funding for a further four/seven units.

4. FINANCIAL IMPLICATIONS

- 4.1** If the proposed transactions concludes as set out the Council will have access to a further 20 or 23 units of affordable homes without any cost to local taxpayers.
- 4.2** To enable the fit out of these units it is proposed that delegated authority is granted for the release of up to £7,000 per affordable unit from previous government funding for refugee support subject to confirmation that it can be used for this refugee programme purpose.
- 4.3** Should the funding for the additional three units not be forthcoming the Council could seek to acquire these units via s.106 funds for off-site contributions if it felt it appropriate although this is not recommended at this stage. A further report will be brought forward to the Executive if necessary.

5. LEGAL IMPLICATIONS

- 5.1** A legal agreement will be put in place to ensure the grant funding passported to Cottsway meets the requirements of the scheme and a draft has largely been agreed by the legal teams of each party.

6. RISK ASSESSMENT

- 6.1** The use of the Registered Social Landlord ('RSL') approach de-risks several aspects of the scheme as they have a strong business model which supports the provision of affordable housing. Direct provision would require the Council to build up the capacity to do it itself or procure a partner to provide this service on its behalf.
- 6.2** Specifically the risks around the following activities will be mitigated via an RSL approach:
- Voids

- Maintenance risk
- Rent collection and bad debts

7. EQUALITIES IMPACT

- 7.1** This housing will, in the first instance be set aside for refugee utilisation as per the scheme requirements. Thereafter lettings will be controlled by an agreed letting strategy which will be reviewed for equality compliance.

8. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

- 8.1** The scheme will utilise existing stock (or stock being currently built) so will have a neutral impact on the climate and ecological emergencies.

9. BACKGROUND PAPERS

Executive February 2023; April 2023

(END)