

**Local Authority Housing Fund**

Community Connections and Housing Delivery Team

**1. EXECUTIVE SUMMARY**

Plymouth has been offered a capital grant allocation of £1,531,181 by DLUHC with an expectation to provide 16 homes (2-4 bedrooms) by March 2023. This is broken down to include:

- £1,055,600 to provide 13 homes with a minimum of 2 bedrooms. This includes £61,200 per property (40% of capital costs) plus an additional £20,000 per property for refurbishment costs.
- £475,581 to provide 3 homes with a minimum of 4 bedrooms for Afghan families currently residing in bridging accommodation. This includes £138,527 per property (50% of capital costs) plus an additional £20,000 per property for refurbishment costs.

**2. BACKGROUND**

The Local Authority Housing Fund is a £500m capital grant fund in financial years 2022/2023 and 2023/2024 to support selected local authorities in England to obtain and refurbish property. Administered by the Department for Levelling Up, Housing and Communities (DLUHC), the fund is designed to provide sustainable housing for those unable to secure their own accommodation who are here under the following schemes:

- Afghan Citizen Resettlement Scheme (ACRS),
- Afghan Relocations and Assistance Policy (ARAP)
- Ukraine Family Scheme,
- the Homes for Ukraine
- and the Ukraine Extension Scheme

**3. PROPOSED DECISION**

This paper recommends that the Local Authority Fund Allocation is used by BCHA to source, acquire, refurbish and let sixteen family homes to the above mentioned schemes

The decision to allocate the capital funding to BCHA is solely based on the nature of their organisation and that it is regulated by the Regulator of Social Housing. The organisation is subject to regulation and scrutiny around key areas such as current and future rent levels; building quality and safety and how its properties are let.

BCHA have agreed to deliver all sixteen homes by the 31<sup>st</sup> March 2024, at an affordable rent. The timescales have been agreed by DLUHC.

#### **4. ALTERNATIVE OPTIONS**

Officers have consulted a wide range of potential delivery partners including registered providers, social enterprises, B-corps, and social investors.

Four organisations sent in financial modelling and expressed an interest.

- Two social investment companies
- A privately owned social enterprise
- One registered provider (BCHA)

The social investment companies and the social enterprise were rejected based on the nature of their organisations and the lack of assurance around maintaining affordable rent levels, housing quality and who the houses could be let to, in the medium to long term.

#### **5. FINANCIAL IMPLICATIONS AND RISK**

Minimal financial risk exist for Plymouth City Council, as the scheme will be fully delivered by BCHA (Bournemouth Churches Housing Association), a traditional registered housing provider and a member of the Plymouth Alliance. There are no penalty clauses for Plymouth City Council within the Memorandum of Understanding with DLUHC.

BCHA hold the reputational and financial risk of not being able to deliver the homes within the agreed timescales and financial envelope.

#### **6. TIMESCALES**

Memorandum of Understanding to be signed and returned to DLUHC by the 15<sup>th</sup> March 2024.

BCHA to deliver sixteen family homes, including three four bed houses, and to be ready to let by March 2023