

CAPITAL BUSINESS CASE CHANGE REQUEST

(Local Authority Homes Fund Round 3 – Passporting MHCLG – additional funding to be passported to BCHA and PATH)



Business Case Change CATEGORY (mark one or more as appropriate)

| | | | |
|--------------------|---|-----------|--------------------------|
| Project Variations | Add Funding <input checked="" type="checkbox"/> | Virements | <input type="checkbox"/> |
| | Remove Funding <input type="checkbox"/> | | |

Other please specify:

Initially, Bournemouth Churches Housing Association (BCHA) agreed to deliver all resettlement homes and temporary accommodation using the Local Authority Homes Fund (LAHF) Round 3 capital grant of £1,531,231. The Ministry of Housing, Communities and Local Government has since increased the LAHF Round 3 capital allocation by £334,380, totalling an overall grant allocation of £1,865,611

- BCHA have said that they are unable to deliver the additional three temporary homes.
- Consequently, Plymouth Access To Housing (PATH) have agreed to utilise this additional capital grant to acquire and deliver three two-bedroom homes for family temporary accommodation. Additionally, BCHA will deliver one extra resettlement home.

The original LAHF3 capital allocation was based on properties being acquired from developers rather than the open market. As a result, of BCHA and PATH intending to purchase homes from the open market the overall capital allocation was revised down to reflect this adjustment.

The housing and cost profile is as follows:

BCHA

- 12 x 2/3-bedroom homes = £1,287,688.80
- 2 x 4+ bedroom homes = £256,000

Total BCHA capital allocation = £1,543,688.80

PATH

3 x 2/3-bedroom homes = £321,922.20

Project Detail

| | |
|---|--|
| Insert previous business case number and link to the business case | LAHF3 Capital Business Case.docx BC240017 |
| Total value of capital project currently within the approved capital programme. | £1,531,231 |
| Value to be added/ - removed from Capital programme (if any | £334,380 |

| | | | |
|---|--|---|--------------------------------|
| Does this project need to go to CMT? | No | Date business case approved by CMT <i>(if required)</i> | |
| | | Directorate | Adults, Health and Communities |
| Portfolio Holder | Cllr Chris Penberthy, Housing and Co-operative Development | Service Director | Matt Garrett |
| Senior Responsible Officer (client) | Dave Ryland, Head of Housing Standards | Project Manager | Ruth Tune-Holmes |

Purpose of Business Case Change Request: *(Provide a brief outline of what has happened to date. Explain the details of the proposal and how the proposal will address the issue)*

The purpose of this business case change request is to update Capital Programme Officer Group (CPOG) on the additional capital funding that has been offered by the Ministry of Housing, Communities and Local Government (MHCLG) as part of LAFH Round 3 capital funding programme.

The LAFH Round 3 capital allocation has been increased from £1,531,231 to £1,865,611. The additional capital funding is to be passported to PATH to acquire and deliver three two-bedroom temporary homes for homeless families and BCHA to deliver one extra resettlement home. It should be noted that the overall capital allocation was reduced as PATH and BCHA wish to acquire properties from the open market and not properties from developers (which would attract a higher grant rate).

BCHA – £1,543,688.80 (14 x properties)

PATH - £321,922.20 (3 x properties)

Revised Key Risks: *(Explain any changes to the risk register / risk log in the approved business case)*

No changes

Revised Outcome and Benefits: *(Explain any changes to the financial and non-financial outcomes and benefits as identified in the approved business case)*

No changes

Revised Milestones and Date:

Has the start /completion date changed? *(If so, please update with new dates)*

No

Contract Award Date

Start On Site Date

Completion Date

Is further Consultation required: *(if so, please ensure you consult with legal and procurement prior to submission)*

Do you need further engagement with procurement for a tender or contract variation?
Have procurement been consulted?

No

No

Does the change in your project require Legal advice? if yes please explain why.

No

Does the change alter the Climate Impact Assessment. *(If yes, this would need to be updated)*

No

Does the change alter the Equalities Impact Assessment. *(If yes, this would need to be updated)*

No

Revised Financial Implications: *(Capital and Revenue – capital profile and ongoing PCC revenue implications)*

Capital Cost and Financing:

| Breakdown of project costs including fees surveys and contingency | Prev. Years £ | 25/26 £ | 26/27 £ | 27/28 £ | 28/29 £ | 29/30 £ | Future Years £ | Total £ |
|--|--------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------------|--------------------|
| Original business case capital cost | | 1,531,231 | | | | | | |
| Revised capital costs | | 1,865,611 | | | | | | |
| Difference | | +334,380 | | | | | | |
| Detail on financing change (+£ or -£) to match the difference above | | | | | | | | |
| | | 25/26 £ | 26/27 £ | 27/28 £ | 28/29 £ | 29/30 £ | Future Years £ | Total £ |
| Grant Funding (Ringfenced/ Un-Ringfenced) | | 1,865,611 | | | | | | 1,865,611 |
| SI06 /CIL | | | | | | | | |
| Corporate / Service Borrowing | | | | | | | | |
| Internal Contribution (RCCO) | | | | | | | | |
| External Contribution | | | | | | | | |

| | |
|--|---|
| Are there any bidding constraints /restrictions/ conditions attached to the funding | The funding must be used to provide resettlement and temporary homes. |
| Does the change have any Tax and VAT implications. (If yes, please contact Sarah Scott) | No |

Revised Revenue Implications:

Revised Revenue Implications for Service Area:

| | 25/26 £ | 26/27 £ | 27/28 £ | 28/29 £ | 29/30 £ | Future Yrs. |
|---|---|----------------------|------------|-------------------|-------------------------|----------------|
| Original business case revenue cost (A) | 0 | | | | | |
| Change to costs (B) increase / - reductions | 0 | | | | | |
| Change in income (C) reduction / - increase | 0 | | | | | |
| Revised revenue costs D = (A+/- B & C) | 0 | | | | | |
| Difference (A – D) | 0 | | | | | |
| Revised Service Area benefit & savings: | | | | | | |
| Has the revised cost changes from this request been budgeted for or would it make a revenue pressure. | There should be no revenue cost implications as this is passporting of a grant and therefore no costs have been budgeted for but there is also no expected costs. | | | | | |
| Loan value | £0 | Interest Rate | % | Term Years | Annual Repayment | £ |

SECTION 5: RECOMMENDATION AND ENDORSEMENT

- **Recommended Decision**
-
- **It is recommended that the Leader of the Council**
- Approves the Business Case Change Request
- Agree the revised Memorandum of Understanding
- Allocates £334,380 for the project into the Capital Programme funded by MHCLG
- Authorises the procurement process
- Delegates the award of the contract to Service Director for Community Connections to passport the funding to BCHA and PATH

| | | | |
|--|------------|---|------------|
| Councillor Tudor Evans OBE, Leader of the Council | | Service Director Matt Garrett/ Dave Ryland | |
| Either email dated: | 14/05/2025 | Either email dated: | 16/04/2025 |
| Or signed: | | Signed: | |
| Date: | | Date: | |