

<b>Purchase of Temporary Accommodation Unit</b>	
<b>Executive Summary</b>	This report recommends purchase of a 4-bed home partly funded from government Local Authority Housing Fund grant. Initially the home will be used to help meet the resettlement needs of Afghan households but in the longer-term the Council will be able to use the home as temporary accommodation for homeless households.
<b>Options considered</b>	Do not use government grant and allocated budget to purchase property and therefore do not add to the stock of affordable homes in the district. Transfer the grant funding to a Registered Provider for them to acquire a 4-bedroom home for affordable housing
<b>Consultation(s)</b>	Portfolio Holder for Housing, Housing Options Manager, Estates and Assets Strategy Manager, Finance Team.
<b>Recommendations</b>	That Cabinet approves the purchase of a 4-bed home, partly supported by funding from the government's Local Authority Housing Fund grant
<b>Reasons for recommendations</b>	To give authority for spend over £100k
<b>Background papers</b>	Local Authority Housing Fund grant opportunity- 6 March 2023 Purchase of Temporary Accommodation Unit - 7 November 2022

<b>Wards affected</b>	District-wide
<b>Cabinet member(s)</b>	Cllr Wendy Fredericks
<b>Contact Officer</b>	Nicky Debbage, Housing Strategy & Delivery Manager nicky.debbage@north-norfolk.gov.uk

<b>Links to key documents:</b>	
Corporate Plan:	Local Homes for Local Need
Medium Term Financial Strategy (MTFS)	Provision of good quality council owned temporary accommodation can deliver savings compared to more expensive and inferior alternatives such as bed and breakfast
Council Policies & Strategies	North Norfolk District Council Housing Strategy 2021 - 2025

<b>Corporate Governance:</b>	
Is this a key decision	Yes

Has the public interest test been applied	-
Details of any previous decision(s) on this matter	<p>Cabinet 6 March 23, Agenda item 12 - Local Authority Housing Fund Grant Opportunity</p> <p>Decision</p> <p>RESOLVED that</p> <p>The Council accepts the Local Authority Housing Fund grant funding in full and commits to the delivery of 11 homes.</p> <p>The source of the homes is from market sales including new-build when available (and if affordable).</p> <p>The Council delivers the new homes in partnership with Flagship. The Council will pass the grant on to Flagship, who will provide the match funding and own the homes, in return the Council will have nomination rights to the homes in perpetuity.</p>

## 1. Purpose of the report

- 1.1 This report recommends the Council purchases a 4-bed property using government grant funding awarded to the Council (Local Authority Housing Fund) earlier this year. The home will be used to meet the immediate resettlement needs of Afghan households. In the longer term the home will be available to NNDC to use to help meet our statutory homeless duties, e.g. as temporary accommodation.

## 2. Introduction & Background

- 2.1 Cabinet on 6th March 2023 agreed to accept grant from Round 1 of the government's Local Authority Housing Fund programme. This funding was awarded to help councils deal with additional housing pressures and to provide move-on and settled accommodation for Afghan and Ukrainian households. The grant was to be used to increase the provision of affordable housing available to support those households who are homeless, at risk of homelessness, or in bridging accommodation.
- 2.2 A second round of LAHF funding has now been announced, with funding focussed on housing for Afghan households in bridging accommodation. Consideration of whether NNDC should accept further Round 2 funds will be covered in a separate report, this report only looks at the Round 1 programme.
- 2.3 NNDC was awarded up to £1,245,210 through Round 1 of the Local Authority Housing Fund (LAHF) across two streams:
- Main element: £1,040,000 to provide a minimum of 10 homes for Ukrainian households.
  - Bridging element: £205,210 to provide a minimum of one larger 4+ bed home(s) for Afghan households in bridging accommodation.
- 2.4 The grant funding could cover up to 40% of the acquisition costs of the main element / Ukrainian homes and up to 50% of the cost of the Bridging element home. Additional grant of £20,000 per property is available for associated costs (purchase, refurbishment, etc.)

- 2.5 If the Council were to acquire all 11 homes this would require significant match funding (over £1.4m), use considerable staff resources and expose the Council to risk, especially as the grant has tight timescales pressures (homes to be acquired before March 2024). Therefore Cabinet agreed that NNDC would work in partnership with Flagship Housing who would acquire (and match fund) the homes. The homes would then become part of the overall stock of affordable housing in the district (with NNDC having full nomination rights to the homes).
- 2.6 With support from NNDC, Flagship have now agreed the purchase of 10 x new homes on two sites in the District. These homes are currently still under construction but will be complete before March 2024. The homes are all two or three-bed, and will therefore fulfil the Main Element Ukrainian homes part of the LAHF grant.
- 2.3 However, Flagship are unable to identify a new build 4-bed home to deliver the Bridging element of the LAHF grant. Accommodation for larger homeless families is very difficult (and expensive) to secure, and in the longer-term a 4-bed home would be extremely useful to NNDC to help meet these needs. NNDC could use the Bridging element of the LAHF grant to help acquire a 4-bed home, which in the longer-term can be used as TA for larger families.

### **3. Purchase Recommendation**

- 3.1 Officers undertook property searches to identify any suitable available homes. The home needed to be large enough to accommodate the client group (4-beds plus sufficient communal space), well located / close to amenities and public transport, be in good condition, and have good energy standards. A suitable 4-bed homes has now been identified, an offer made and accepted and a survey carried out on the home to ensure it offers value for money.
- 3.2 The home is located in one of the main towns in the district, is in good condition and has an Energy Performance Certificate rating of C with the potential to increase this to a B rating. The price of the property is £315,000. The Council is able to claim 50% of this cost in LAHF funding meaning we will need to fund the remaining share (£157,500). Additionally, the Council can use up to £20,000 of LAHF grant to cover acquisition costs and refurbishment (including improvements to the energy efficiency of the home). The grant conditions also mean there will be no Stamp Duty Land Tax payable on this purchase.

### **4. Corporate Priorities**

This proposal helps deliver the Corporate Plan objective “Local Homes for Local Need” and specifically the action 1.5.1b.2 The Council will explore options to provide better forms of temporary accommodation, including further direct delivery of temporary housing.

### **5. Financial and Resource Implications**

As stated in paragraph 3.2, the Council can use LAHF grant to cover 50% of the purchase price of this property plus a further £20,000 to cover associated costs. This leaves a cost of £157,500; which can be met from the Temporary Accommodation budget in the capital programme.

The 2023/24 TA budget (including brought forward underspend from 2022/23 is £250,823. Cabinet on 7 November 2022 agreed to the purchase of a further 2-bed property to be used for Temporary Accommodation, this purchase will also be funded from the TA budget and is estimated to total £110,000. This would result in spend of £267,500 against the TA budget and an overspend of around £16,000. However, a further £500k is already allocated for future TA purchases.

## 6. Legal Implications

Legal input will be required to ensure effective conveyancing and to identify any legal constraints on properties that are considered for purchase.

The council is able to hold in the General Fund, and let on license, homes to be used for TA for homeless households.

## 7. Risks

The key risks and mitigations associated with purchase of this property are:

- The property is a poor investment – mitigated by purchases being subject to an independent valuation
- The property has unforeseen major investment needs – mitigated by purchases being subject to a full survey
- The property is not required for TA in the future – mitigated by future sale of the asset if required

## 8. Net Zero Target

The property currently has a reasonable energy rating (EPC C) with the potential and available budget to improve this to a good rating of EPC B. However, the addition of this property to our estate will increase the Council's carbon footprint. This will need to be off-set in order to achieve the carbon net zero policy by 2030. Additional investment could be considered to upgrade the property further in order to minimise the additional carbon footprint. As it is an existing home, the overall 'community' emissions will not increase as a result of this purchase.

## 9. Equality, Diversity & Inclusion

Initially this home will be used to provide resettlement accommodation to Afghan refugee households. Long-term these homes would be available to households on the Council's housing list as temporary accommodation. There are not therefore considered to be any impacts on EDI.

## 10. Community Safety issues

The council will work with partner agencies to ensure the safety of households accommodated in this property.

## 11. Conclusion and Recommendations

The Local Authority Housing Fund provides grant to enable North Norfolk District to provide additional affordable homes in the district. 10 of these homes are being delivered in partnership with Flagship Housing. Using the LAHF grant NNDC is able to purchase a further large family home. Initially the Council will use the home to house Afghan refugee households. Long-

term the home would be available to homeless households on the Council's housing list as temporary accommodation (and like other existing TA, the home could be sold if no longer required). Purchase of this 4-bedroom home is recommended.