

<b>Agenda Item No:</b>	<b>14</b>	
<b>Committee:</b>	<b>Cabinet/Investment Board</b>	
<b>Date:</b>	<b>20<sup>th</sup> February 2023</b>	
<b>Report Title:</b>	<b>Local Authority Housing Fund (LAHF)</b>	

This item comprises **EXEMPT INFORMATION** at Appendix B which is not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

Cover sheet:

**1 Purpose / Summary**

- 1.1 To consider an opportunity to receive grant money to purchase 9 homes as a resource to meet the Council's responsibilities with regard to housing refugees and as a lasting legacy resource to support meeting our wider homelessness duties.

**2 Key Issues**

- 2.1 On the 10th of January 2023 the Council received notification from the Department of Levelling Up, Housing & Communities (DLUHC) of an amount of £873,932 to purchase 9 properties.
- 2.2 8 properties can be bought with £704,000 of the grant money. The grant received must not exceed 40% of the total scheme cost (TSC). The government has modelled the grant to Fenland based on 2 or 3 bedrooms for this element of the grant funding.
- 2.3 1 property has to be bought that is at least 4 bedrooms with a grant available of £169,932. The grant received must not exceed 50% of the TSC.
- 2.4 The amount of funding allocated by DLUHC has been calculated on lower quartile house prices in the district and the number of homes to be delivered is based on the number of households being supported in our district as refugees.
- 2.5 The criteria for the 9 properties include an initial use to support the refugee crisis from Ukraine and Afghanistan but in the longer term will be a resource to support our wider homelessness objectives.
- 2.6 The residual funding required has to be match funded from other sources.
- 2.7 The Council considered 3 options:
- Delivery through a Registered Provider;
  - Delivery through Fenland District Council to help relieve our homelessness pressures and support our Commercial Investment Strategy (CIS);
  - Not accept the allocation.

- 2.8 The outcome from the options assessment is that delivery through FDC purchasing the properties is financially prudent as set out in confidential Appendix B. Match funding will either be provided through a loan from the Public Works Loan Board (PWLB), capital reserves or use of Section 106 funds secured for the delivery of affordable housing.
- 2.9 Although this is under the recommended rate of return in the CIS of 5% it is felt that this option is worth progressing having regard to the wider benefits of delivering the scheme. Delivery will help reduce the risk of additional temporary accommodation costs and to provide an increased pool of properties to support meeting our homelessness objectives. To not receive it would mean that we would continue to have to meet our duties in relation to supporting the refugee crisis without having any additional property resource to facilitate the need.
- 2.10 To receive the funding the Council, need to sign the Memorandum of Understanding set out in Appendix A. Confidential appendix B sets out the financial appraisal of the scheme.
- 2.11 The properties need to be secured by November 2023. The properties will be purchased outside of PE13 and PE14 post code areas ideally with easy access to the train route through Fenland i.e. March and Whittlesey.

### 3 Recommendations

3.1 Cabinet are recommended to:

- 3.1.1 Approve receipt of the LA Housing Fund grant in the sum of £873,932 for the purposes described;
- Authorise entry into the prescribed Memorandum of Understanding with DLHUC for receiving the grant as set out in Appendix A; and
  - Fund the residual element for the 9 properties to be purchased, delegated to the Section 151 officer to determine in consultation with Investment Board Members. Range of funding needed has been identified in the confidential Appendix B
  - Properties to be purchased outside PE13 and PE14 post code areas.

Wards Affected	<i>All</i>
Forward Plan Reference	KEY/23JAN23/01
Portfolio Holder(s)	Councillor Sam, Hoy (Housing) Councillor Sam Clark (Vulnerable Persons) Councillor Chris Boden (Investment Board) Councillor Ian Benney (Investment Board) Councillor Steve Tierney (Investment Board)
Report Originator(s)	Dan Horn – Assistant Director

Contact Officer(s)	Dan Horn – as above Carol Pilson – Corporate Director Peter Catchpole – Section 151 Amy Brown Assistant Director
Background Papers	<a href="https://delta.communities.gov.uk/document-repository/public/download?uri=/document-repository/Local-Authority-Housing-Fund-Prospectus-Final.pdf">https://delta.communities.gov.uk/document-repository/public/download?uri=/document-repository/Local-Authority-Housing-Fund-Prospectus-Final.pdf</a> - Guidance and criteria

## Report:

### **1 REASONS FOR EXEMPTION**

- 1.1 Appendix B is NOT FOR PUBLICATION in accordance with paragraph 2 of Schedule 12A of the Local Government Act 1972 in that it contains information relating to financial modelling that is commercially sensitive about the approach to purchasing 9 properties. To publish it would mean that the Council's ability to secure best value could be compromised. The public interest test has been applied to the information contained within this exempt report and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it.

### **2. BACKGROUND AND INTENDED OUTCOMES**

- 2.1 On the 10th of January 2023 the Council received notification from the Department of levelling Up, Housing & Communities (DLUHC) of an amount of £873,932 to purchase 9 properties.
- 2.2 8 properties can be bought with £704,000 of the grant money. The grant received must not exceed 40% of the total scheme cost (TSC). The government has modelled the grant to Fenland based on 2 or 3 bedrooms for this element of the grant funding.
- 2.3 1 property has to be bought that is at least 4 bedrooms with a grant available of £169,932. The grant received must not exceed 50% of the TSC.
- 2.4 The amount of funding allocated by DLUHC has been calculated on lower quartile house prices in the district and the number of homes to be delivered is based on the number of households being supported in our district as refugees.
- 2.5 The criteria for the 9 properties includes an initial use to support the refugee crisis from Ukraine and Afghanistan but in the longer term will be a resource to support our wider homelessness objectives.
- 2.6 The Council had to assess and submit an expression of interest called a validation form by the 25<sup>th</sup> January 2023.

2.7 Feasibility work was undertaken to explore the following options:

- Delivery through a Registered Provider;
- Delivery through Fenland District Council to help meet relieve our homelessness pressures to support our commercial investment strategy (CIS);
- Not accept the allocation.

2.8 The outcome was that subject to Cabinet approval and the signing of an MOU set out in Appendix A, the Council should look to secure the properties as an investment and to help meet our statutory responsibilities in relation to homelessness.

### **3 REASONS FOR RECOMMENDATIONS**

3.1 The grant secured means we can deliver housing that is financially prudent. See financial implications and confidential appendix B.

3.2 It helps build an increase in available housing to meet our duties with regard to homelessness.

3.3 To not deliver the scheme places further pressure on the Council's temporary accommodation costs.

### **4 CONSULTATION**

There is no formal consultation requirement in relation to this scheme however the proposals have been given detailed and appropriate consideration by officers and members to include debating and determining the recommendation comprised in this Report.

### **5 ALTERNATIVE OPTIONS CONSIDERED**

5.1 Alternative options for the Council included enabling an RP to deliver the scheme on behalf of the Council and not submitting a proposal to Government.

5.2 Although working with an RP was potentially viable it was felt that the Council had the opportunity to secure a resource directly to help build our assets to

support homelessness in a financially prudent way with the assets increasing in value over the long term.

- 5.3 To not submit a proposal is seen as a false economy as to not increase available resource for homelessness increases the risk of additional costs for the Council in meeting its statutory duties in this regard by way of use of temporary accommodation for example bed and breakfast costs.

## **6 IMPLICATIONS**

### **6.1 Legal Implications**

- 6.2 The constitution

- 6.3 Fenland District Council has a general power to acquire land and property under Section 120 of the Local Government Act 1972 and may also rely on section 1 of the Localism Act 2011 where the purchase relates to regeneration and economic/social benefits in the council's area.

- 6.4 Fenland District Council also has a general duty to act prudently when purchasing land. To that end, in addition to valuations, appropriate title checks and searches will take place before any final commitment is made to purchase the properties.

- 6.5 Stamp Duty Land Tax will be payable on completion of the purchases and arrangements will need to be made to ensure that the properties meet minimum EPC requirements for rental properties which may require some additional expenditure between the time of purchase and 2028 when all such properties must achieve a rating of C.

- 6.6 Paragraph 10 of Table 5 of Part 3 of the Constitution delegates authority to Cabinet Members to authorise the allocation of external funding awarded to the Council and entry into the associated financial and legal agreements valued at 500,001 and over.

### **6.7 Financial Implications**

- 6.8 The Council has been advised that the maximum grant available to the Council is:

- Main element: £704,000 in funding. With this funding DLUHC expect FDC to provide a minimum of 8 homes.
- Bridging element: £169,932 in additional funding. With this funding DLUHC expect FDC to provide a minimum of 1 larger 4+ bed home to be allocated to households currently residing in bridging accommodation.

- As with other affordable housing provision, DLUHC expect FDC to part fund or finance some of the required capital.
- For 'main element' housing, government funding equates to 40% of total capital costs (Average £6,8000 grant per property) plus £20,000 per property.
- For 'bridging element' housing, government funding equates to 50% of total capital costs (Average £149,932 grant per property) plus £20,000 per property.
- 30% of the funding provided by DLUHC will be paid in Q4 2022/23 and 70% in 2023/24 (the 2023/24 funding is paid once the LA has spent 60% of their 2022/23 funding).
- For example, if FDC agree to deliver the number of units outlined above, the funding split would be as follows:
  - Main element: properties for households that meet the eligibility criteria for this Programme:
  - Year 1 Allocation £211,200
  - Year 2 Allocation £492,800
  - Total Grant £704000
- 4+ bed properties for households currently in bridging accommodation:
  - Year 1 Allocation £50,980
  - Year 2 Allocation £118,952
  - Total Grant £169,932
- Total Grant:
  - Year 1 £262,180
  - Year 2 £611,752
  - Total Funding £873,932

6.9 The Council needs to identify match funding for this. As properties are identified the source of the match funding will be considered looking at what is the most prudent to help deliver the project in the most commercially advantageous way. This includes:

- Existing capital reserves;
- Public Works Loan Board (PWLB);
- Other funding that the Council can legally use for such a purpose for example financial contributions in lieu of built units.

6.10 It is proposed to delegate to the Section 151 officer to determine in consultation with Investment Board Members the proposed match funding approach.

6.11 Confidential Appendix B sets out the appraisal that has been developed to explore the financial estimates.

## 6.12 Equality Implications

6.13 The proposal helps support meeting our obligations for housing as set out in the homelessness act.

6.14 The funding helps secure additional resource to meet obligations that the Council will face to rehouse refugees from Ukraine and Afghanistan and by receiving this funding this helps support having additional capacity available for all households presenting as homeless. It builds capacity in the system.

### **6.15 Use of Accommodation Criteria Implications**

6.16 The criteria for use of the properties is set out below:

- Ensure recent humanitarian schemes (Afghan and Ukraine schemes) which offer sanctuary, via an organised safe and legal entry route to those fleeing conflict, provide sufficient longer term accommodation to those they support.
- Support areas with housing pressures which have generously welcomed substantial numbers of Ukrainian refugees so that these areas are not disadvantaged by increased pressures from these arrivals on the existing housing and homelessness systems.
- Mitigate the expected increased pressures on local authority homelessness and social housing resources which arise from the eligible cohort (as defined in the programme prospectus) as sponsorship/family placements/bridging accommodation arrangements come to an end by increasing the provision of affordable housing to those in the cohort who are homeless, at risk of homelessness, or in bridging accommodation;
- Utilise accommodation solutions to enable effective resettlement and economic integration of the eligible cohort;
- Reduce emergency, temporary and bridging accommodation costs;
- Deliver accommodation that as far as possible allows for the future conversion of housing units to support wider local authority housing and homelessness responsibilities to UK nationals (i.e. after usage by this cohort ends);
- Reduce impacts on the existing housing and homelessness systems and those waiting for social housing.

### **6.17 Timescale for delivery**

6.18 The properties need to be secured by November 2023. The properties will be purchased outside of PE13 and PE14 post code areas ideally with easy access to the train route through Fenland i.e. March and Whittlesey.

### **6.19 Management Partner and Support**

6.20 As part of the implementation the Council will need to understand the best approach for managing the properties and what funding is available for the support that may be needed.

## **7 SCHEDULES**

- Appendix A – MOU between Government and FDC
- Appendix B – CONFIDENTIAL financial appraisal



## Guidance for completing the MOU – please delete before submitting your MOU

After submitting your validation form, please use this template to return a signed and completed MOU to us via email so that we can progress with your MOU and funding as soon as your validation form has been approved.

Please send your signed and completed MOU to: [LAHF@levellingup.gov.uk](mailto:LAHF@levellingup.gov.uk)

If you are agreeing to deliver the full allocation, complete the MOU using the numbers you received in your allocation email on 21 December.

If you state you can deliver *more* homes at this grant rate than your initial allocation, please complete the MOU using the numbers from your allocation email. Following the reallocation process (outlined in Sections 4.4 and 4.5 in the Prospectus), we will confirm whether any additional funding is available to enable you to deliver more than your initial allocation. We will update the MOU accordingly following the reallocations process to reflect this additional funding.

If you are agreeing to deliver a *lower* number of units than your allocation, to complete your MOU, calculate the funding amount for your specified number of units, using the average Grant per Property set out in your allocation letter – more detail is set out below on how to calculate this.

You will have received details of your LAHF allocation in an email from DLUHC on 21 December. If you would like more clarity about which number corresponds to which part of the MOU, the spaces for numbers in the MoU are labelled with letters and we have labelled the below extract of the email you received to show where these numbers can be found:

‘ *[Your Local Authority]* has provisionally been identified as eligible for capital grant funding (under section 31 of the Local Government Act 2003), with the following indicative allocation:

Main element: **(G)** in funding. With this funding we expect you to provide a minimum of **(C)** homes.

Bridging element: **(J)** in additional funding. With this funding we expect you to provide a minimum of **(D)** larger 4+ bed home(s) to be allocated to households currently residing in bridging accommodation.

[...]

Main element: properties for households that meet the eligibility criteria for this Programme  
Year 1 Allocation **(E)**

Year 2 Allocation **(F)**

Total Grant **(G)**

4+ bed properties for households currently in bridging accommodation

Year 1 Allocation **(H)**

Year 2 Allocation **(I)**

Total Grant **(J)**

Total Grant

Year 1 **(K)**

Year 2 **(L)**

Total Funding **(B)'**

**Total Units (A)** can be calculated by adding together **(C)** and **(D)**.

### **Calculating funding to deliver a lower number of units than your allocation**

The average grant per property cannot be increased, and therefore the funding amount is based on the number of units you agree to deliver and the grant per property set out in your allocation email. The Grant per Property can be found in this section of the allocation email:

'For 'main element' housing, government funding equates to 40% of total capital costs (average **£(M)** grant per property) plus £20,000 per property. For 'bridging element' housing, government funding equates to 50% of total capital costs (average **£(N)** grant per property) plus £20,000 per property.'

Please email us if you have further questions. We will also cross check the numbers when we receive the signed MOU.

### **Calculating funding for main element units**

**(G)** = (£20,000 plus **M**) multiplied by the number of main element units you are willing to deliver

**(E)** = 30% of **(G)**

**(F)** = 70% of **(G)**

### **Calculating funding for bridging element units**

**J** = (£20,000 plus **N**) multiplied by the number of bridging element units you are willing to deliver

**H** = 30% of **J**

**I** = 70% of **J**

# MEMORANDUM OF UNDERSTANDING

*Between*

**Department for Levelling Up, Housing and Communities**

*-and-*

**Fenland District Council**

## **1. Purpose**

- 1.1. This Memorandum of Understanding ('MOU') sets out the terms that will apply to the working relationship between the Department for Levelling Up, Housing and Communities ('DLUHC') and Fenland District Council ('the Council') regarding the administration and delivery of the Local Authority Housing Fund ('LAHF').
- 1.2. This MOU will be for the period Q4 2022/23 and 2023/24. It will be reviewed and updated only where either of the signatories deem it necessary, in which case it will require joint agreement. Further detail on changing the MOU is set out in Paragraph 4.4.
- 1.3. This MOU sets out both the universal fund wide conditions and expectations for appropriate spend of LAHF.
- 1.4. This MOU is not intended to create legal or binding obligations. It describes the understanding between both parties for the use of funding specified in Section 3 of this agreement.

## **2. Background**

- 2.1. The LAHF was launched on 14 December 2022. The details of the fund were shared on that date with the Council in the document 'Local Authority Housing Fund – Prospectus and Guidance' ('the Prospectus').
- 2.2. LAHF is a £500m capital grant fund to support local authorities in England to provide sustainable housing for those unable to secure their own accommodation that meet the eligibility criteria outlined in Section 3.2 of the Prospectus.
- 2.3. The objectives of LAHF are to:
  - Ensure recent humanitarian schemes (Afghan and Ukraine schemes) which offer sanctuary, via an organised safe and legal entry route, to those fleeing conflict, provide sufficient longer term accommodation to those they support.

- Support areas with housing pressures which have generously welcomed substantial numbers of Ukrainian refugees so that these areas are not disadvantaged by increased pressures from these arrivals on the existing housing and homelessness systems.
  - Mitigate the expected increased pressures on local authority homelessness and social housing resources which arise from the eligible cohort (as defined at section 3.2 of the Prospectus) as sponsorship/family placements/bridging accommodation arrangements come to an end by increasing the provision of affordable housing available to local authorities to support those in the cohort who are homeless, at risk of homelessness, or in bridging accommodation;
  - Reduce emergency, temporary and bridging accommodation costs;
  - Deliver accommodation that as far as possible allows for the future conversion of housing units to support wider local authority housing and homelessness responsibilities to UK nationals (i.e. after usage by this cohort ends);
  - Utilise accommodation solutions to enable effective resettlement and economic integration of the eligible cohort;
  - Reduce pressures on the existing housing and homelessness systems and those waiting for social housing.
- 2.4. DLUHC has accepted the Council's plan to provide 9 homes ('the delivery target') under LAHF, and DLUHC will provide a grant of £873,932 ('the total allocation'). The Council agrees the following targets to deliver at least:
- 8 properties for households that meet the eligibility criteria outlined in section 3.2 of the Prospectus ('the main element');
  - 1 4+ bed properties to be allocated to households currently in bridging accommodation ('the bridging element');
- 2.5. This MOU covers the funding commitments from DLUHC and the delivery, financial expenditure, agreed milestones, reporting and evaluation, and communications between the Parties. It also sets out the steps DLUHC could take in the event of underperformance if required.

### **3. Purpose of the Funding**

- 3.1. LAHF funding has been provided specifically for spending on LAHF priorities and the Council agrees to spend LAHF funding on activity set out in this MOU as agreed by DLUHC or subsequently agreed by DLUHC as per Paragraph 4.4.

- 3.2. DLUHC will part fund the cost of the Council obtaining properties for use by households that meet the eligibility criteria. The Council will use its best endeavours to meet the delivery target and to achieve value for money. DLUHC's contributory share of funding ('the average grant rate per unit') should not exceed the maximum described below but the grant per unit for individual properties can be higher.
- 3.3. The maximum average grant rate per unit (for the portfolio of properties, not individual purchases) for the main element is 40% of the costs the council charges to its capital budget plus £20,000 per property. Eligible costs funded by the 40% and the £20,000 per property could include the purchase price, stamp duty, surveying, legal and other fees, refurbishments, energy efficiency measures, decoration, furnishings, or otherwise preparing the property for rent and potentially irrecoverable VAT incurred on these items. The Council should ensure it complies with the Code of Practice for Local Authority Accounting.
- 3.4. The maximum average grant rate per unit (for the portfolio of properties, not individual purchases) for the bridging element is 50% of the costs the council charges to its capital budget plus £20,000 per property. Eligible costs funded by the 50% and the £20,000 per property could include the purchase price, stamp duty, surveying, legal and other fees, refurbishments, energy efficiency measures, decoration, furnishings, or otherwise preparing the property for rent and potentially irrecoverable VAT incurred on these items. The Council should ensure it complies with the Code of Practice for Local Authority Accounting.
- 3.5. The Council can determine how it uses the £20,000 per property and can choose how much of the grant is to be spent on each individual property.
- 3.6. The Council or its delivery partner(s) will fund the outstanding share for each property.
- 3.7. The funding provided by DLUHC in Q4 2022/23 ('the Year 1 allocation') is 30% of the total allocation. The funding provided by DLUHC in 2023/24 ('the Year 2 allocation') is 70% of the total allocation. Both are set out in Table 1.

	Year 1 allocation £ (million)	Year 2 allocation £ (million)	Total allocation £ (million)
Properties for households that meet the eligibility criteria for this Programme	£211,200	£492,800	£704,000
4+ bed properties for households currently in bridging accommodation	£50,980	£118,952	£169,932
<b>Total funding</b>	<b>£262,180</b>	<b>£611,752</b>	<b>£873,932</b>

*Table 1 – Funding allocation*

#### **4. Delivery Profile**

- 4.1. Delivery of the fund will be measured on the basis of exchange of contracts, or equivalent milestone where exchange of contract will not occur, and number of families housed. Any variations to this, and necessary changes to the MOU will need to be agreed by the parties and an amendment to this MOU made.
- 4.2. Funding outlined in Table 1 is provided to deliver the delivery target. The Council agrees to make best endeavours to deliver the delivery target by 30 November 2023. DLUHC is committed to funding any contract the Council enters into, even if completion occurs after this date.
- 4.3. This MOU is for the full term of the total allocation unless signatories agree to change as per Paragraph 4.4. A further Grant Determination Letter (GDL) will be provided following confirmation of the annual payment for each year.
- 4.4. DLUHC and the Council both have the right to request a change to the MOU. With regards to changing the target amount of units, the Council may ask for either a higher or lower target. Any proposed change will impact the amount of funding received (as set out in the Prospectus) unless the Council is seeking to deliver more units for the same amount of money. Requests will be considered based on the progress of the reallocations process as outlined in Sections 4.4 and 4.5 of the Prospectus and confirmed in writing.

#### **5. Financial Arrangements**

- 5.1. The agreed funds will be issued to the Council as grant payments under section 31 of the Local Government Act 2003. The Council may pass on the funding to a third party (e.g. Registered Providers) as appropriate to deliver the delivery target, complying with the Subsidy Control Act 2022.
- 5.2. Table 2 sets out the timetable for payments to be made to the Council. Payment of the Year 1 allocation will be made in February 2023. The Year 2 allocation will be paid once the Council has demonstrated that at least 60% of the Year 1 allocation has been committed ('the spend requirement'). This will be paid in line with timings outlined in Table 2.
- 5.3. Should the Council not meet the spend requirement in time for payment in May 2023, the payment for the Year 2 allocation may then be made in July 2023 should the Council meet the spend requirement in time for that payment date as set out in Table 2. DLUHC will put in place further payment dates should the Council not meet the spend requirement for

payment in July 2023 and will confirm any further dates in writing. The Council may wish to return unspent monies to the Department.

Payment month	February 2023	May 2023	July 2023 (if applicable)
<b>MI from the Council to support payment</b>	<ul style="list-style-type: none"> <li>Signature of this MOU before the date below.</li> </ul>	<ul style="list-style-type: none"> <li>April MI Touchpoint</li> <li>S151 officer statement of grant usage in April</li> </ul>	<ul style="list-style-type: none"> <li>June MI Touchpoint</li> <li>S151 officer statement of grant usage in June</li> </ul>
<b>DLUHC confirm payment latest by</b>	15 February	10 April	8 June
<b>DLUHC make payment</b>	By the last working day in February	By the last working day in May	By the last working day in July

*Table 2 – Payments timetable*

## 6. Roles and Responsibilities

### DLUHC Responsibilities

6.1. DLUHC is responsible for setting national housing policy, providing grant(s) to the Council and monitoring the delivery of homes.

### Council Responsibilities

6.2. The Council will make housing investment decisions, review existing housing policies and products, maximise leverage of this public sector investment and ensure that funds provide value for money and are deliverable within the timescale of the fund. The Council may work in partnership with private Registered Providers and local authority housing companies to deliver homes. The Council will also report on the fund by providing Management Information (MI) as set out in **Annex A** of this MOU and will work with DLUHC to ensure they have the capability to deliver the fund and provide MI within the set timescales.

6.3. The Council is expected to have the necessary governance and assurance arrangements in place and that all legal and other statutory obligations and consents will be adhered to, which may include, but not solely:

- **subsidy control**, at all levels e.g. the funding the Council allocates to project deliverers and subsidies that project deliverers provide to third parties.

- **equalities duties**, the Council must ensure that all LAHF funded activity is delivered in accordance with its obligations under the public sector equality duty (PSED)
  - **procurement**, the Council must ensure that the allocation of funding to project deliverers that constitutes a procurement is managed in compliance with the public contract regulations
  - **fraud**, the Council must ensure that robust arrangements are in place to manage fraud risk, including ensuring that project deliverers have robust fraud risk management process and paying particular attention to projects that involve the payment of grants to beneficiaries e.g. businesses.
- 6.4. The Council's Section 151 Officer is expected to ensure that these legal duties and all other relevant duties are considered and that delivery of LAHF investment is carried out with propriety, regularity and value for money.

## 7. Monitoring Arrangements and Accountability

- 7.1. The Council will put in place appropriate governance and oversight arrangements to ensure that delivery of housing is on track and that plans remain ambitious and provide value for money.

### Reporting Arrangements

- 7.2. The Council has agreed to provide reporting information to DLUHC on fund allocations and delivery. The Council will be asked to provide a mix of quantitative and qualitative summary updates to DLUHC; a full list of MI can be found in **Annex A**.
- 7.3. The first report will be due in April 2023 and then every two months thereafter, until the Council's programme has completed. The schedule for monitoring reports is outlined in **Annex B**.
- 7.4. Spend outturn and forecast should be signed off by the S151 officer or deputy S151 officer.
- 7.5. The Council also agrees to work with the department to provide any reasonable additional MI as and when requested by the DLUHC Senior Reporting Officer (SRO). DLUHC will provide an appropriate amount of time to return any additional MI requests.
- 7.6. The Council agrees to work collaboratively with any requests from DLUHC to support any retrospective assessment or evaluation as to the impact or value for money of LAHF. As a minimum, the Council is expected to



monitor spend, outputs and outcomes against agreed indicators and keep this information for at least 5 years.

## 8. Governance & Assurance

8.1. The Council is expected to ensure that all legal and other statutory obligations and consents will be adhered to, which may include, but not solely, state aid / subsidy control, equalities duties, procurement, health and safety, and fraud prevention. The Council has prerogative to establish internal governance and assurance arrangements as they see fit to achieve this.

8.2. The Council will ensure data can be shared for the prevention and detection of fraud by including the following clause in all agreements with companies or external entities in relation to LAHF – including, but not limited to, property contracts, professional services contracts, construction contracts and lease agreements:

“Data may be shared with other enforcement agencies for the prevention and detection of crime.”

### Signed for and on behalf of DLUHC

Signature:

Name:

Position:

Date:

### Signed for and on behalf of Insert **Local Authority Name**

Signature:

Name:

Position:     

Date:

## Annex A – Reporting and Monitoring Arrangements

### Scope and Purpose

1. This annex sets out the agreed reporting and monitoring arrangements for LAHF, including the expected frequency and content of the regular reports that the Council will provide to DLUHC.

### DLUHC Role

2. DLUHC will support the running of the fund and maintain a national picture of delivery by putting in place a proportionate monitoring and governance framework. This will include a fund governance board(s) attended by the DLUHC Senior Reporting Officer (SRO) and other relevant stakeholders. Wherever possible DLUHC will avoid duplication of requests towards the Council.

### Council Role

3. Day-to-day project monitoring and delivery responsibilities will be delegated to the Council. The Council will submit reports to DLUHC in accordance with the agreed timescales and frequency set out in the MoU. The Council will also work with DLUHC to provide any reasonable additional MI required as and when requested by the DLUHC Senior Reporting Officer. DLUHC will provide an appropriate amount of time to return any additional MI requests.

### Management Information (MI)

4. The list of MI is split between operational data – required for monitoring the ongoing fund delivery (Table 3) and evaluation data (Table 4) required to assess the strategy-level success of the fund and inform future policy development. Tables 4 and 5 present the required routine MI and is subject to change, with agreement by DLUHC and the Council. For MI purposes, “committed spend” is considered funding which has been allocated to a property where there has been an exchange of contracts or equivalent milestone where exchange of contract will not occur.

Item	Frequency
No. of offers accepted, including bedroom size and whether these are part of the ‘main’ or ‘bridging’ element of funding	Every 2 months
No. of properties where contracts exchanged, including bedroom size	Every 2 months
No. of properties occupied, including bedroom size	Every 2 months
Number of families housed, including which resettlement programme they belong to	Every 2 months
Number of individuals housed, including which resettlement programme they belong to	Every 2 months
Total expenditure (incl grant and other funding)	Every 2 months
Total committed spend (incl grant and other funding)	Every 2 months
DLUHC grant used	Every 2 months
Overall assessment (RAG rated) of whether delivery is on track as determined by the responsible Council officer	Every 2 months

Table 3 – Monitoring Data

Item	Frequency
How properties have been sourced (e.g. through stock acquisition or another delivery route)	In December 2023 and thereafter upon request to aid with evaluation of the fund
How the Council has funded its contributory share	
Breakdown of households housed by previous housing situation, e.g. emergency accommodation/temporary accommodation	
Tenancy duration	
Rent levels	
Number of additional pledges made to provide housing for those in bridging accommodation	
Number of properties obtained outside the local authority's area, if applicable, and where these are located.	
Evaluation of additional pledges, number of individuals houses, number of properties occupied.	

Table 4 – Evaluation Data

5. In addition, to enable the assessment of relative value for money and to assist with future spending reviews, we may occasionally ask for additional information including details of how the fund is delivered and housing market conditions. This will provide important data to support future policy developments and will also support engagement with HM Treasury. This information will be provided to agreed timeframes when requested by DLUHC.
6. Should the Council wish to amend and/or not collect any of these proposed data points, they should submit a proposal to DLUHC for agreement.

### Frequency of Reporting

7. The Council will be asked to provide reports every two months. The schedule for monitoring reports is outlined in Annex B.

### Data Consistency

8. DLUHC and the Council have a shared commitment to ensure that, for clarity and transparency purposes, consistent methods of recording outputs are maintained. It is expected that the provided reporting will be robust, accurate and quality assured to a high standard. As such minimal revisions would be expected – although, where these are required, DLUHC should be advised as soon as practical.

### Use of Material Provided

9. DLUHC will use the provided material to monitor delivery nationally.

## Annex B – Monitoring Milestones

<b>Date</b>	<b>Milestone</b>
February 2023	Payment of the Year 1 allocation
April 2023	MI touchpoint
May 2023	Payment of the Year 2 allocation
June 2023	MI touchpoint
July 2023	Payment of the Year 2 allocation if the spend requirement for payment in May was not met.
August 2023	MI touchpoint
October 2023	MI touchpoint
30 November 2023	The Council agrees to make best endeavours to deliver the delivery target by 30 November 2023.
December 2023	Final MI touchpoint following 30 November 2023. DLUHC-led evaluation of LAHF begins.

**PUBLIC INTEREST TEST CHECKLIST**  
**Schedule 12A Local Government Act 1972**

**Category of exemption applied:**

- Paragraph 1 'information relating to any individual'
- Paragraph 3 'Information relating to the financial or business affairs of any particular person (including the Authority holding that information);
- Paragraph 5 'information in respect of which a claim to legal professional privilege could be maintained in legal proceedings'.

This is not a definitive list. However, it does provide a series of questions that you should ask yourself when recommending confidentiality.

**FACTORS WHICH SUPPORT DISCLOSING INFORMATION**

- Will disclosure help people to understand and participate in public debate about current issues? **No – the context as to the overall proposal is set out in the paper for transparency.**
- Will disclosure help people to understand why the Council has taken certain decisions? **No as the in public element of the report sets out the rationale for the proposal.**
- Will disclosure give the public information about the personal probity (or otherwise) of elected members or council staff? **No**
- Will disclosure encourage greater competition and better value for money for council taxpayers? **No it will impact on the council's ability to get best value if we disclose.**
- Will disclosure allow individuals and companies to understand decisions made by the Council that have affected their lives? **No**
- Is the information about factors that affect public health and public safety? (NB you should be careful if considering the release of information which might adversely affect public health and safety) **No**
- Will disclosure reveal incompetent, illegal or unethical decision-making or examples of malpractice? **No**

**FACTORS WHICH SUPPORT WITHHOLDING INFORMATION**

- Will disclosure damage the Council's interests without giving the public any useful information? **Yes – our ability to get best price**
- Will disclosure damage another organisation or person's interests, without giving the public any useful information? **No**
- Will disclosure give an unfair, prejudicial or inaccurate view of a situation? **No**

- Will disclosure prevent the effective delivery of services without giving the public useful information? **Yes – we have explained the rationale for the public in the public element of the report but to reveal the financial assessment would show our hand to potential vendors.**
- Will disclosure put the health and safety of any group or individuals at risk? **No**
- Is there a clear and coherent reason why the community in general would benefit more from information being withheld? **Yes – we can deliver a better outcome for homelessness services in a more cost effective manner to ensure best value.**

*[insert summary and reasons for decision as to why it is considered the exemption should apply].*

*Appendix B is NOT FOR PUBLICATION in accordance with Paragraph 3 'Information relating to the financial or business affairs of any particular person (including the Authority holding that information) Schedule 12A of the Local Government Act 1972 in that it contains information relating to financial modelling that is commercially sensitive about the approach to purchasing 9 properties. To publish it would mean that the Council's ability to secure best value could be compromised. The public interest test has been applied to the information contained within this exempt report and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it.*