

# North Yorkshire Council

## Report to Corporate Director Resources

24 February 2025

### Local Authority Housing Fund

#### Report of the Corporate Director Community Development

#### **1.0 PURPOSE OF REPORT**

- 1.1 To recommend that the Assistant Director Resources in consultation with the Executive Member for Finance and Resources and the Executive Member for Culture, Arts and Housing confirm that the additional grant of £548,141 from the Ministry of Housing, Communities and Local Government for the Local Authority Housing Fund Round 3 be accepted.

#### **2.0 BACKGROUND**

- 2.1 In January 2025, the submission of an Expression of Interest to the Ministry of Housing, Communities and Local Government for additional funding from the Local Authority Housing Fund Round 3 of up to £2.235 million to provide 16 additional homes was approved. This was following an invitation by the Ministry to Local Authorities inviting them to submit Expressions of Interest for additional funding from the Fund.
- 2.2 Further to the submission, the Ministry of Housing, Communities and Local Government have offered the Council an extra £548,141, which will provide a further 4 homes under the Local Authority Housing Fund Round 3. To accept the funding, the Council will need to confirm their acceptance of the offer to the Ministry by Wednesday, 26 February 2025.

#### **3.0 PROPOSAL**

- 3.1 The Council submitted an Expression of Interest for up to £2.235 million on 16<sup>h</sup> January 2025, which would support a further 16 homes, of which 12 would be for Temporary Accommodation and 4 for households from the Afghan Resettlement Schemes.
- 3.2 The Ministry have now responded to the Expression of Interest with an offer of an additional £548,141 of funding, which will provide an additional 4 homes. These will comprise of 3 additional properties for Temporary Accommodation (one of which shall be a new home) and 1 home for the Afghan Resettlement Scheme.
- 3.3 The additional funding is subject to confirmation of acceptance of the funding by the Council, which needs to be provided by 26<sup>th</sup> February 2025. Following acceptance, the Council will be required to sign an Addendum to the Memorandum of Understanding for the Local Authority Housing Fund Round 3. The Council previously entered into a Memorandum of Understanding in October 2024 for £1.796 million to provide 13 homes as per the initial allocation for Local Authority Housing Fund Round 3.

- 3.4 With the additional funding, the overall delivery profile for the Local Authority Housing Round 3 to be delivered by the Council will be as follows:

Property type	Year 1 delivery target (2024-25)	Year 2 delivery target (2025-26)	Total delivery target
TA element	1	4	5
Resettlement element for Afghan households	4	4	8
Large resettlement element (4 bed+) for Afghan households	1	3	4
<b>All property types</b>	<b>6</b>	<b>11</b>	<b>17</b>

- 3.5 The total cost of providing the extra 4 homes will be approximately £1,191, 992, based on the maximum amount requested. The Council will receive a capital grant of £548,141 from MHCLG. The capital grant is based on 40% of the median property price within the authority area. However, for the larger resettlement properties, the grant is based on 50% of the median property price. The capital grant also includes refurbishment costs of £21,000 per property plus a 10% funding uplift for the new build property<sup>1</sup>. The match funding requirement from the council is estimated to be £643,851, based on indicative modelling.

	Per property (median)	For 4 properties
Purchase price	266,748	1,066,992
Fees	1,250	5,000
Repairs	30,000	120,000
<b>Total cost</b>	<b>297,998</b>	<b>1,191,992</b>
Grant – purchase	116035	464,141
Grant – repairs	21,000	84,000
Council to fund	160963	643,851
<b>Total funding</b>	<b>297,998</b>	<b>1,191,992</b>

#### 4.0 CONSULTATION UNDERTAKEN AND RESPONSES

- 4.1 Consultation has taken place with both the Council’s Refugee Resettlement Manager and the Council’s Head of service for Housing Needs who have both provided guidance on the most suitable location for the properties.

#### 5.0 CONTRIBUTION TO COUNCIL PRIORITIES

- 5.1 The scheme contributes principally to the following Council priority:

“Place and Environment: Good quality, affordable and sustainable housing that meets the needs of our communities”

#### 6.0 ALTERNATIVE OPTIONS CONSIDERED

6.1 No alternative options have been considered, as this would be an extension to a current project

## **7.0 IMPACT ON OTHER SERVICES/ORGANISATIONS**

7.1 The acquisition of the 3 additional homes for temporary accommodation for homeless households, will help to alleviate some pressure on our Housing Option Service in providing a greater amount of available temporary accommodation, particularly for families.

7.2 The acquisition of additional homes for Afghan refugees will help alleviate pressure on the Council and ensure the Council is playing its part in supporting Government to meet national commitments toward Afghan refugees. The main impact will be on the Council's Housing Options Services and the Council's Refugee Resettlement Manager in ensuring both initial support to the Afghan households in moving to their new homes and accessing services and any on-going support that might be required.

## **8.0 FINANCIAL IMPLICATIONS**

8.1 To support delivery of the scheme there will be a Capital funding requirement from the Council. This will amount to a total of £643,851. This funding will be allocated from the existing Housing Revenue Account capital programme budget to support the delivery of 500 new homes.

## **9.0 LEGAL IMPLICATIONS**

9.1 Whilst the Council already has a Memorandum of Understanding for Round 3 of the Local Authority Housing Fund, the Council will need to enter into an Addendum to the Memorandum of Understanding, which includes the additional funding and properties. The Addendum to the Memorandum of Understanding has a deadline of 14<sup>th</sup> March 2025 for submission.

## **10.0 EQUALITIES IMPLICATIONS**

10.1 An Equalities Impact Assessment screening form has been attached as Appendix A to this report. The screening assessment has indicated that there are no adverse impacts, so no full assessment is required.

## **11.0 CLIMATE CHANGE IMPLICATIONS**

11.1 An initial Climate Change Impact Assessment has been undertaken and has assessed that there are no adverse impacts, and a full Climate Change Impact Assessment is not required.

## **12.0 RISK MANAGEMENT IMPLICATIONS**

12.1 The key risks with the additional funding are as follows:

<b>Risk</b>	<b>Potential Impact</b>	<b>Mitigation</b>
The Council does not accept the additional funding	Increased difficulty in meeting local and national commitments toward providing accommodation for Afghan refugees including a potential risk of increased cost associated with the provision of temporary accommodation.	Unable to identify sufficient homes to meet the numbers required or meet delivery by March 2026

Unable to identify sufficient homes to meet the numbers required or meet delivery by March 2026	Any unspent funds would have to be returned to the Government.  Some households may need to go into temporary accommodation.	Previous experience has shown that there are sufficient suitable ex-Council homes coming on to the market to meet the required numbers.  In addition, with potential slowdown of market, the supply is likely to increase.  The potential for acquisition of other homes, including new builds would mitigate this risk further.
Average price of suitable homes increases	Would increase borrowing requirement and on-going borrowing costs  Could mean fewer properties could be acquired.	Unlikely as current housing market is experiencing slowdown with values stagnating or even possibly reducing
Cost of refurbishment is higher than £30,000 per property	Would increase borrowing requirement and on-going borrowing costs	Unlikely as £30,000 is reasonable average for refurbishment costs based on previous experience.  Any retrofit/decarbonisation costs would be met through the HRA.

### 13.0 REASONS FOR RECOMMENDATIONS

13.1 To enable the Council to accept the additional funding of £548,141 from the Ministry of Housing, Communities and Local Government (MHCLG) to rehouse 4 households as per the requirement of the Local Authority Housing Fund (Round 3) programme.

### 14.0 RECOMMENDATION

#### 14.1

That the Assistant Director Resources in consultation with the Executive Member for Finance and Resources and the Executive Member for Culture, Arts and Housing confirm that the additional grant in the amount of £548,141 from the Ministry of Housing, Communities and Local Government for the Local Authority Housing Fund Round 3 be accepted.

### APPENDICES:

Appendix A – Equalities Impact Assessment  
Appendix B – Climate Change Assessment

### BACKGROUND DOCUMENTS: None

Nic Harne  
Corporate Director – Community Development  
County Hall  
Northallerton

Report Author – John Burroughs, Housing Delivery Manager (Major and Complex Projects) <sup>(OBJ)</sup>  
Presenter of Report – John Burroughs, Housing Delivery Manager (Major and Complex Projects) <sup>(OBJ)</sup>

Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.

<b>Initial equality impact assessment screening form</b> This form records an equality screening process to determine the relevance of equality to a proposal, and a decision whether or not a full EIA would be appropriate or proportionate.			
<b>Directorate</b>	Community Development		
<b>Service area</b>	Housing		
<b>Proposal being screened</b>	Local Authority Housing Fund Acceptance of additional funding		
<b>Officer(s) carrying out screening</b>	John Burroughs		
<b>What are you proposing to do?</b>	Acceptance of additional funding from the Ministry for Housing, Communities and Local Government for the Local Authority Housing Fund (Round 3)		
<b>Why are you proposing this? What are the desired outcomes?</b>	This funding shall help pay for acquisition of additional affordable homes that shall be used to provide accommodation 1 households from the Afghan resettlement and relocation schemes and 3 homeless households requiring temporary accommodation		
<b>Does the proposal involve a significant commitment or removal of resources?</b> Please give details.	No		
<b>Impact on people with any of the following protected characteristics as defined by the Equality Act 2010, or NYC's additional agreed characteristics</b> As part of this assessment, please consider the following questions:			
<ul style="list-style-type: none"> <li>To what extent is this service used by particular groups of people with protected characteristics?</li> <li>Does the proposal relate to functions that previous consultation has identified as important?</li> <li>Do different groups have different needs or experiences in the area the proposal relates to?</li> </ul>			
<b>If for any characteristic it is considered that there is likely to be an adverse impact or you have ticked 'Don't know/no info available', then a full EIA should be carried out where this is proportionate. You are advised to speak to your directorate representative for advice if you are in any doubt.</b>			
Protected characteristic	Potential for adverse impact		Don't know/No info available
	Yes	No	
Age		✓	
Disability		✓	
Sex		✓	
Race		✓	
Sexual orientation		✓	
Gender reassignment		✓	
Religion or belief		✓	
Pregnancy or maternity		✓	
Marriage or civil partnership		✓	
People in rural areas		✓	
People on a low income		✓	
Carer (unpaid family or friend)		✓	
Are from the Armed Forces Community		✓	
<b>Does the proposal relate to an area where there are known inequalities/probable impacts</b> (for example, disabled people's	No		

## Appendix A

access to public transport)? Please give details.					
<b>Will the proposal have a significant effect on how other organisations operate? (for example, partners, funding criteria, etc.). Do any of these organisations support people with protected characteristics? Please explain why you have reached this conclusion.</b>	No				
<b>Decision (Please tick one option)</b>	<table border="1"> <tr> <td>EIA not relevant or proportionate:</td> <td style="text-align: center;">✓</td> <td>Continue to full EIA:</td> <td></td> </tr> </table>	EIA not relevant or proportionate:	✓	Continue to full EIA:	
EIA not relevant or proportionate:	✓	Continue to full EIA:			
<b>Reason for decision</b>	Decision has no adverse impact				
<b>Signed (Assistant Director or equivalent)</b>	Andrew Rowe				
<b>Date</b>	24 <sup>th</sup> February 2025				

**Initial Climate Change Impact Assessment (Form created August 2021)**

The intention of this document is to help the council to gain an initial understanding of the impact of a project or decision on the environment. This document should be completed in consultation with the supporting guidance. Dependent on this initial assessment you may need to go on to complete a full Climate Change Impact Assessment. The final document will be published as part of the decision-making process.

If you have any additional queries, which are not covered by the guidance please email [climatechange@northyorks.gov.uk](mailto:climatechange@northyorks.gov.uk)

<b>Title of proposal</b>	<b>Local Authority Housing Fund</b>
<b>Brief description of proposal</b>	<b>To accept additional funding of £548,141 from the Ministry of Housing, Communities and Local Government for the Local Authority Housing Fund Round 3. This funding shall help pay for acquisition of additional affordable homes that shall be used to provide accommodation of 1 households from the Afghan resettlement and relocation schemes and 3 homeless households requiring temporary accommodation</b>
<b>Directorate</b>	<b>Community Development</b>
<b>Service area</b>	<b>Housing</b>
<b>Lead officer</b>	<b>Andrew Rowe</b>
<b>Names and roles of other people involved in carrying out the impact assessment</b>	<b>John Burroughs</b>



Appendix B

The chart below contains the main environmental factors to consider in your initial assessment – choose the appropriate option from the drop-down list for each one.

Remember to think about the following;

- Travel
- Construction
- Data storage
- Use of buildings
- Change of land use
- Opportunities for recycling and reuse

<b>Environmental factor to consider</b>	<b>For the council</b>	<b>For the county</b>	<b>Overall</b>
Greenhouse gas emissions	No effect on emissions	No Effect on emissions	No effect on emissions
Waste	No effect on waste	No effect on waste	No effect on waste
Water use	No effect on water usage	No effect on water usage	No effect on water usage
Pollution (air, land, water, noise, light)	No effect on pollution	No effect on pollution	No effect on pollution
Resilience to adverse weather/climate events (flooding, drought etc)	No effect on resilience	No effect on resilience	No effect on resilience
Ecological effects (biodiversity, loss of habitat etc)	No effect on ecology	No effect on ecology	No effect on ecology
Heritage and landscape	No effect on heritage and landscape	No effect on heritage and landscape	No effect on heritage and landscape

Appendix B

If any of these factors are likely to result in a negative or positive environmental impact then a full climate change impact assessment will be required. It is important that we capture information about both positive and negative impacts to aid the council in calculating its carbon footprint and environmental impact.

<b>Decision (Please tick one option)</b>	Full CCIA not relevant or proportionate:	x	Continue to full CCIA:	
<b>Reason for decision</b>	The decision is to just approve the submission of an Expression of Interest for additional funding and has no Climate Change implications whatsoever.			
<b>Signed (Assistant Director or equivalent)</b>	Andrew Rowe			
<b>Date</b>	24 <sup>th</sup> February 2025			