

Classification: Public

Key Decision: No

Gravesham Borough Council

Report to: Council
Date: 17 October 2023
Reporting officer: Daniel Killian, Director (Housing)
Subject: Urgency Decision - Amendment to the 2023/24 Capital Programme

Purpose and summary of report:

To inform the Council of an urgent decision taken by Director (Housing) in consultation with the Leader of the Administration, the Leader of the Opposition, the Mayor and Section 151 Officer as per the constitution, to accept government grant funding of £810,000 to facilitate participation in the Local Authority Fund (LAHF) Round 2 which is designed to increase the availability of affordable housing for the governments Afghan Refugee Resettlement Programme. Accepting this grant funding will require the amendment of the agreed 2023/24 Capital Programme.

Recommendations:

1. Council notes the urgent decision taken by Director (Housing) in consultation with the Leader of the Administration, the Leader of the Opposition, the Mayor and Section 151 Officer to accept a capital grant of £810,000 that will amend the Council's 2023/24 agreed capital programme.

Key Implications:	
Item	Implications
Legal	<p>The Urgency Provisions within the Constitution (Annex 1.13) were invoked by Director (Housing), in consultation with the Leader of the Administration, the Leader of the Opposition, the Mayor and Section 151 Officer, who were all supportive, to enable the Director (Housing) to sign the MoU with DLUHC by the required deadline.</p> <p>To ensure that the funds are used in accordance with the signed Memorandum of Understanding (MoU) between the Department of Levelling Up, Communities and Housing (DLUCH) and the Council, Officers will work with Henry Pinnock's and Legal to agree a suitable grant and Nominations agreement between the two parties.</p>
Finance and Value for Money	<p>Timings of the capital grant information being released in the financial year 2023 -24 meant that the Council were not able to include the scheme within the capital programme. However, the scheme allows Local Authorities to pass the funding on to registered providers to deliver on the commitments of the scheme. Transferring the funds to Henry Pinnock's ensures that the</p>

	Council benefits through nomination rights over the five homes that this scheme is required to deliver and particularly the three homes delivered as housing for homeless households in temporary accommodation in the longer term. Henry Pinnock's will provide match funding estimated at £1.2 million to acquire the five homes in total.
Corporate Plan	#1 – People – Deliver an ambitious and diverse programme of building – increase the supply of high-quality market and affordable housing. #3 – Progress – Develop an entrepreneurial culture – work with partners to provide social impact
Climate Change	By acquiring existing street properties close to the town centre, the homes will provide sustainable homes for vulnerable households and there will be a focus on homes with an EPC rating of C and above.

1. Background

- 1.1 Gravesham has a track record of delivering homes for vulnerable households and maximising the use of grant funding when available to increase the number of affordable homes available locally.
- 1.2 The capital funding announcement of the Local Authority Housing Fund Round (LAHF) 2 during the summer of this year meant that the scheme did not form part of the budget setting for 2023/24 and therefore no allowance within the agreed Capital Programme for the Council to participate.
- 1.3 The LAHF Round 2 is particularly attractive as, within Gravesham, the fund seeks to deliver five affordable homes in total, two homes for the government Afghan Resettlement Programme and three homes to help with wider housing pressures locally such as temporary accommodation for homeless households which is an area that is well documented as being a significant financial pressure to the Council.
- 1.4 The capital grant funding announcement was made with pre-allocated amounts to specific Councils, which for Gravesham is £810,000. The scheme allows the participating authority to passport the grant funding to a registered provider of affordable housing (RP), to fulfil the commitments of the scheme on behalf of the local authority.
- 1.5 Due to the budget pressures being experienced by the Council, officers have worked with registered providers to explore if there was any interest in assisting the Council in delivering this scheme, and whilst they all recognised the importance of this scheme and the positive impact it would have, only one was in a financial position to participate – Henry Pinnock's, as the participating partner is expected to contribute 60% of the overall property purchase cost.
- 1.6 Henry Pinnock's Charity is a long-established partner to the Council and is already assisting the Council with housing homeless households and those waiting for social housing on the Housing Register and has confirmed it has the funds available to deliver on the commitments of LAHF Round 2, which is expected to be in the region of £1.2m.

2. The Memorandum of Understanding

- 2.1 The use of the capital fund is detailed within a Memorandum of Understanding with the Department of Levelling Up, Communities and Housing (DLUCH) that

mandates the purchase of five homes in total, two homes for the government Afghan Resettlement Scheme and three homes to ease wider homelessness pressures (temporary accommodation) locally.

- 2.2 The grant funding provided is to be used to fund 40% of the purchase price of a property with the balance provided through private finance as referenced in section 1.6 of this report.
- 2.3 The funds can be passed to a third party to achieve the target date for completion of 29 March 2024, which Henry Pinnock's has confirmed they can achieve.
- 2.4 Regular reporting to DLUCH will be completed by Gravesham in consultation with Henry Pinnock's as outlined in the MoU, which is designed to help monitor the progress of the scheme and manage any risks of not meeting the commitments of the scheme. Ultimately, there are no penalties for not meeting the requirements of the scheme, and if properties cannot be purchased by the deadline given, any unspent grant would need to be returned to DLUCH.

3. Legal Considerations

- 3.1 As outlined in the key implications section of this report, the Urgency Provisions within the Constitution (Annex 1.13) were invoked by Director (Housing) in consultation with the Leader of the Administration, the Leader of the Opposition, the Mayor and Section 151 Officer, who were all supportive, to enable the Director (Housing) to sign the MoU with DLUHC by the required deadline.
- 3.2 The passing of funds to a third party must be strictly in accordance with The Subsidy Control Act 2022. This has been considered carefully by the Council Section 151 Officer and the four-limbed test has been carried out and is detailed below:

	Test Applied	Response
1	Is the financial assistance given, directly or indirectly, from public resources by a public authority?	Yes – financial assistance is being provided by Gravesham Borough Council directly to the Pinnock's Charity, financed by the Local Authority Housing Fund Round 2 established by DLUHC.
2	Does the financial assistance confer an economic advantage on one or more enterprises?	Yes – the charity will be acquiring these assets and should be considered as an entity that is undertaking economic activity as it will be offering affordable housing (albeit this is a market restricted solely to the council) in return for a charge.
3	Is the financial assistance specific? That is, has the economic advantage been provided to one (or more than one) enterprise, but not to others?	Yes – the funding is being provided for the specific purpose of providing sustainable housing for those on Afghan resettlement schemes who currently reside or formerly resided in bridging accommodation and to ease wider homelessness pressures.
4	Will the financial assistance have, or is it capable of having, an effect on competition or investment within the UK, or trade or investment between	No – The view is that the financial assistance provided would not likely have any effect on competition or investment within the UK, or trade or investment between the UK and another country or territory.

<p>the UK and another country or territory?</p>	<p>The financial assistance provided is intended to support the purchase of five sub-market (affordable) rent homes in Gravesend with 100% nomination rights to these properties then passed to the council in perpetuity for those on Afghan resettlement schemes who currently reside or formerly resided in bridging accommodation and to ease wider homelessness pressures. The funding is only available for a defined period (2023/24 financial year). There is no requirement to repay the grant if the conditions of the grant are adhered to.</p> <p>There are other similar operators within Gravesham. The Director (Housing) has confirmed that all operators (Registered Providers) were approached and asked if they were in a position to work with the council under the LAHF Round 2. Only Henry Pinnock's Charity responded and confirmed that they could deliver the requirements of the Fund.</p>
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- 3.3 Given the MoU for funding is between DLUHC and the council, an agreement between the council and Henry Pinnock's will be secured to recognise that the charity must adhere to the grant conditions and to secure the nomination rights for the council. Officers are currently drafting this with the Council's legal team and Henry Pinnock's solicitors.

4. 2023/24 Capital Programme

- 4.1 The grant funding to be received by the council, which is to be passported to Henry Pinnock's will be recognised as an 'in-year' adjustment to the Council's Capital Programme 2023-24.
- 4.2 Amending the Capital Programme in-year is a decision reserved for the Council. However, the Council's constitution contains an urgency provision to allow such decisions to be made if the timings do not align with that of Council meetings.
- 4.3 As explained in this report, The Urgency Provisions within the Constitution (Annex 1.13) were invoked by Director (Housing) in consultation with the Leader of the Administration, the Leader of the Opposition, the Mayor and Section 151 Officer to sign the MoU with DLUHC by the required deadline.

5. Conclusion

- 5.1 The LAHF Round 2 fund will help to provide two affordable and settled homes for vulnerable Afghan households, who will rebuild their lives within our community with the help of this fund.
- 5.2 In addition to this, the fund will also provide three affordable homes for homeless households that will assist the council in relieving some of the pressures of temporary accommodation spending through nomination rights to the purchased properties.

6. Appendices

6.1 The following documents are to be published with the report:

6.1.1 None

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Secondary Implications	
Risk Assessment	There is a risk that the charity will not purchase enough properties as stated within the MoU. This will be mitigated by Gravesham officers supporting the charity through regular meetings to consider vacant properties in the Borough. There will also be regular reporting to DLUCH to update on progress and discuss any potential delays.
Data Protection Impact Assessment	<p><i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i></p> <p>a. Does the project/change being recommended through this paper involve the processing of personal data or special category data or criminal offence data? A definition of each type of data can be found on the Information Commissioner's Office website via the above links No</p> <p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice? NA</p> <p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at gdpr@medway.gov.uk. n/a</p>
Equality Impact Assessment	<p>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer. No</p> <p>b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer.</p> <p><i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i></p>
Crime and Disorder	n/a
Digital and website implications	None
Safeguarding children and vulnerable adults	n/a