



Council

Item

2 March 2023

Public



Local Authority Housing Fund

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Cabinet Member (Portfolio Holder):	Dean Carroll		

1. Synopsis

This report sets out a proposed programme to acquire and refurbish homes for Ukrainian and Afghan refugees using capital funding allocated by the Department of Levelling Up, Housing and Communities (DLUHC) under the recently launched Local Authority Housing Fund.

2. Executive Summary

- 2.1. A key priority of the Healthy People priority of the Shropshire Plan is tackling inequality. The most extreme form of housing inequality is homelessness, therefore, it is vital that the Council seeks to prevent homelessness and where households become homeless the Council ensures that they are able to access affordable dwelling which meets their needs.
- 2.2. Shropshire Council has been allocated just over £3.2m under the Local Authority Housing Fund to acquire and refurbish 30 dwellings to be initially allocated to Ukrainian and Afghan refugee households who are statutory homeless or at risk of homelessness. Once the immediate need is met, the dwellings can be used to meet the Council's wider housing and homelessness pressures.
- 2.3. The funding programme comprises two elements:

- the acquisition of 26 homes with two or more bedrooms for Ukrainian refugees who are homeless or at risk of homelessness; and
 - the acquisition of four homes each with a minimum of four-bedrooms for Afghan refugees currently accommodated in bridging hotels.
- 2.4. The grant funding is to be paid in 2022-23 and 2023-24 under section 31 of the Local Government Act 2003. In order to receive the first tranche of funding the Council is required to sign and return the Memorandum of Understanding (MoU) contained at Appendix I to DLUHC by 15 March 2023 at the latest.
- 2.5. Although by signing the MoU the Council agrees to make best endeavours to deliver the target of 30 homes by 30 November 2023, if the Council is unable to meet this target (and DLUHC chooses not to extend the long-stop date) the Council will be required to return any unspent grant, but will not be subject to any penalties.
- 2.6. This report proposes a programme of up to £7.2m comprising the allocated grant, the use of Section 106 commuted sums and borrowing on rental income to acquire and refurbish new build and relatively new homes to provide affordable housing to meet the needs of Ukraine and Afghan refugees who are homeless or at risk of homelessness. The homes will be held in the Housing Revenue Account¹ (HRA) and will be managed by the Council's Arms' Length Management Organisation (ALMO) Shropshire Towns and Rural (STAR) Housing.

3. Recommendations

- 3.1. Agree to enter into the MoU with DLUHC, on the basis that the Council will use best endeavours to acquire the full target of dwellings to which the allocation of grant funding relates and delegates authority to the Executive Director of Resources to agree, sign and return the MoU by the deadline of 15 March 2023.
- 3.2. Approve that capital investment of up to £0.750m of Section 106 commuted sums and prudential borrowing of up to £3.2m in the HRA is used to match fund the DLUHC grant funding of £3.2m to acquire up to 30 dwellings into the HRA.
- 3.3. Delegate authority to the Executive Director of Resources, the Assistant Director of Homes and Communities, and Head of Property and Development to approve a final business case and financial appraisals setting out the financial arrangements to support the acquisitions of dwellings into the HRA.
- 3.4. Delegate to the Head of Property and Development, in consultation with the Portfolio Holder for Growth, Regeneration and Housing, the authority to agree and complete appropriate freehold acquisitions.

¹ The HRA is the Council's landlord account; it is a ring-fenced account within the General Fund.

Report

4. Risk Assessment and Opportunities Appraisal

4.1. The Council has three options:

- Option A: To agree to accept the funding allocation to deliver the target number of homes.
- Option B: To agree to accept a proportion of the funding allocation, across both elements of the programme, to deliver a reduced number of homes.
- Option C: Decline the funding allocation.

4.2. The risks associated with each option are set out below:

- Option A: The availability of sufficient dwellings for the Council to be able to acquire by end November 2023.
- Options B and C: Given the pressures on the Council in relation to temporary accommodation and the difficulties in being able to discharge its homeless duties, it would seem unpragmatic not to accept the full allocation of central government to provide additional affordable housing.

4.3. The opportunities associated with each option are set out below

- Option A: Currently the Council is accommodating 14 homeless Ukrainian households in bed and breakfast, this number is predicted to increase, therefore, the allocated funding will help to alleviate this need. In addition, once the acquired dwellings meet the initial need of providing Ukrainian and Afghan refugees a home, subsequent lettings can be used to meet the Council's wider housing and homelessness pressures.
- Option B: Once the acquired dwellings meet the initial need of providing Ukrainian and Afghan refugees a home, subsequent lettings can be used to meet the Council's wider housing and homelessness pressures.
- Option C: None.

4.4. Given the risks and opportunities associated with each option, it is recommended to pursue Option A.

4.5. An Equality, Social Inclusion and Health Impact Assessment (ESHIA) initial screening record has been completed; this is at Appendix II. This indicates a likely positive impact across the nine Protected Characteristic groupings as set out in the Equality Act 2010, particularly with regard to Age, Disability, Race, Religion or Belief, and Sex. Refugees and asylum seekers are identified as vulnerable individuals and households within the Council's tenth category of consideration, around social inclusion. Whilst this category is not a Protected Characteristic under the Equality Act, it is used by the Council to seek to ensure that due regard is given to individuals and households who are vulnerable by virtue of their circumstances.

- 4.6. The equality, social inclusion and health impacts of the programme will be monitored as part of the funding process and by officers who are working with refugees. The authority will also seek to share approaches with comparator authorities, particularly other rural unitary authorities and other authorities in the West Midlands, in order to promote good practice. The authority will also need to consider additional needs of families with regard to access to places of worship and other communal support mechanisms, building upon local, regional and national knowledge gleaned from resettlement of Syrian refugee families, including physical location of housing.
- 4.7. The most extreme form of housing inequality is homelessness, therefore, it vital that the Council seeks to prevent homelessness and where households become homeless the Council ensures that they are able to access affordable dwelling which meets their needs. People experiencing homelessness face significant health inequalities and poorer health outcomes as compared to the rest of the population. Therefore, being able to access a settled, affordable home which meets a household's needs is essential to health and well-being, especially those families who have fled conflict.

5. Financial Implications

- 5.1. The proposed programme will seek to deliver up to 30 two- three- and four-bedroom dwellings, through the acquisition of new build and nearly new homes. All accommodation will be held in the HRA and will be managed by the Council's ALMO, STAR Housing.
- 5.2. The grant allocation for each part of the programme is set out in Figure 1 below, providing an overall grant allocation of £3,213,486.

Figure 1

	Number of dwellings	2022-23 allocation	2023-24 allocation	Total allocation
Dwellings for households that meet the eligibility criteria for the main programme	26	£717,600	£1,674,400	£2,392,000
Dwellings for households currently in bridging accommodation	4	£246,446	£575,040	£821,486
Total funding	30	£964,046	£2,249,440	£3,213,486

- 5.3. In order to receive the first tranche of funding the Council is required to sign and return the MoU contained at Appendix I to DLUHC by 15 March 2023. Although by signing the MoU the Council agrees to make best endeavours to deliver the target of 30 homes by 30 November 2023, if the Council is unable to meet this target (and DLUHC chooses not to extend the long-stop date) the Council will be required to return any unspent grant, but will not be subject to any penalties.
- 5.4. As can be seen from Figure 2 below it is anticipated that the proposed programme of up to 30 units will have an indicative total scheme cost of approximately £7.2m, however this will be subject to market costs at the time of acquisition. It is

proposed that eligible grant funding is match funded using a combination of up to £0.750m commuted sums and up to £3.2m of prudential borrowing on rental income.

5.5. Cost projections are based on the following assumptions, however, these are based on figures available today and will be subject to future variation, for example, the Public Works Loan Board (PWLB) prevailing interest rates:

- The acquisition and works cost is based on potential new build and nearly new dwellings which will be subject to availability at the time of acquisition;
- Majority of main programme acquisitions to be two-bedroom houses;
- Depreciation is based on 2022-23 average rate;
- The PWLB interest rate for borrowing;
- Allowances based on existing average for general needs dwellings; and
- Rental income has been capped at Shropshire Broad Rental Market Area (BRMA) Local Housing Allowance (LHA) rates; to account for LHA not being subject to annual increase, a 1% rental increased has been applied.

Figure 2

Capital – HRA

Acquisition and works	£7,134,500
On-costs	£60,000
Total scheme cost	£7,194,500

Scheme grant	£3,213,486
S106 Commuted Sums	£750,000
Borrowing on rental income	£3,231,014
Total scheme cost	£7,194,500

Revenue - HRA

	2023-24	2024-25	2025-26	2026-27	2027-28
Depreciation (sinking fund)	£33,000	£33,000	£33,000	£33,000	£33,000
Interest on borrowing	£145,396	£145,396	£145,396	£145,396	£145,396
Management, maintenance, void and bad debt allowances	£28,272	£29,120	£29,993	£30,893	£31,820
Rental income	(£208,587)	(£210,672)	(£212,779)	(£214,907)	(£217,056)
Deficit / (Income)	(£1,919)	(£3,157)	(£4,390)	(£5,618)	(£6,840)

6. Climate Change Appraisal

6.1. Energy and fuel consumption:

- The sustainability and energy performance of accommodation will be considered as part of each business case to acquire individual dwellings or a scheme of dwellings. All acquisitions will have a minimum SAP rating of Band C.

6.2. Renewable energy generation:

- Each individual dwelling or scheme of dwellings will be considered for opportunities for renewable energy generation.

6.3. Carbon offsetting or mitigation:

- Given the nature and type of accommodation to be delivered under this programme, it is unlikely that there will be opportunities for carbon offsetting or mitigation.

6.4. Climate change adaptation:

- The identification of dwellings will take into account the potential need for climate change adaptation to manage the effects of more extreme weather.

7. Background

7.1. Launched in December 2022, the Local Authority Housing Fund is a £500m capital grant fund in financial years 2022-23 and 2023-24 to support selected local authorities in England to acquire and refurbish property in order to provide sustainable housing for those unable to secure their own accommodation who are in the Country under the following schemes:

- Afghan Citizen Resettlement Scheme (ACRS);
- Afghan Relocations and Assistance Policy (ARAP);
- Ukraine Family Scheme;
- Homes for Ukraine; and
- Ukraine Extension Scheme

7.2. As well as helping to fulfil the United Kingdom's humanitarian duties to assist those fleeing war, the Fund seeks to reduce the impact of new arrivals on existing housing pressures and create an additional supply of affordable housing for local authorities to help address local housing and homelessness pressures in the longer-term.

7.3. 182 local authorities outside of London have been allocated capital funding under section 31 of the Local Government Act 2003 on the basis of a formula which relates the number of Ukrainian arrivals per 1,000 of population and their relative ranking in terms of the level of housing pressure (which includes private rented sector rents in relation to income, the unemployment rate, the number of households in temporary accommodation and the number of households on local authority housing registers). Delivery targets are based upon this funding allocation. The allocation to any single local authority has been capped at 30 homes.

7.4. The objectives of the fund are to:

- Ensure recent Afghan and Ukraine humanitarian 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 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 following the initial need of this cohort being met allows for the use of dwellings to support wider local authority housing and homelessness responsibilities to UK nationals;
 - Utilise accommodation solutions to enable effective resettlement and economic integration of the eligible cohort.
 - Reduce impacts on the existing housing and homelessness systems, including unsuitable and expensive temporary accommodation, and those waiting for social housing.
- 7.5. Shropshire Council has been allocated capital grant funding of £3,213,486 to acquire a target of 30 dwellings by the end of November 2023. A requirement of the funding is that initial lettings to these homes will be to Ukrainian and Afghan households who are statutory homeless or at risk of homelessness. This requires the use of a local lettings policy. Once the immediate need is met, then the dwellings can be used to meet the Council's wider housing and homelessness pressures.
- 7.6. The funding programme comprises two elements: the main element which requires the Council to acquire 26 homes with two or more bedrooms for Ukrainian refugees who are homeless or at risk of homelessness; and the bridging element whereby the Council is required to acquire four homes each with a minimum of four-bedrooms for Afghan refugees currently accommodated in bridging hotels.
- 7.7. Currently the Council is accommodating 14 homeless Ukrainian refugee households in bed and breakfast under the Interim Duty of the Housing Act 1996, it is anticipated that over the next few months that this number will increase as host families are no longer able to continue offering accommodation. Therefore, additional funding to acquire homes for this cohort will be very welcome in order for the Council to discharge the Main Duty and also prevent other Ukrainian families from becoming homeless. In addition, although Shropshire does not contain any bridging hotels for Afghan households, families are accommodated in the West Midlands and it is important for the Council to assist where possible in providing settled accommodation.

8. Conclusions

- 8.1. Given the pressures on the Council surrounding its homelessness duties, and that when the initial need of providing Ukrainian and Afghan refugees a home,

subsequent lettings can be used to meet the Council's wider housing and homelessness pressures, it would seem pragmatic to accept the full allocation of capital funding to acquire the target number of homes and use best endeavours to deliver.

List of Background Papers

Local Authority Housing Fund Prospectus and Guidance, December 2022, DLUHC

Local Member: N/A

Appendices

Appendix I: Memorandum of Understanding

Appendix II: Equality, Social Inclusion and Health Impact Assessment (ESHIA)

Appendix I

MEMORANDUM OF UNDERSTANDING

Between

Department for Levelling Up, Housing and Communities

-and-

Shropshire County UA

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 Shropshire County UA ('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 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 30 homes ('the delivery target') under LAHF, and DLUHC will provide a grant of £3,213,486 ('the total allocation'). The Council agrees the following targets to deliver at least:
- 26 properties for households that meet the eligibility criteria outlined in section 3.2 of the Prospectus ('the main element');
 - 4 Four+ 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	Year 2 allocation	Total allocation
Properties for households that meet the eligibility criteria for this Programme	£717,600	£1,674,400	£2,392,000
4+ bed properties for households currently in bridging accommodation	£246,446	£575,040	£821,486
Total funding	£964,046	£2,249,440	£3,213,486

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

DLUHC make payment	By the last working day in March	By the last working day in May	By the last working day in July
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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) as set out in the Equality Act 2010.
- **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 Shropshire County
UA**

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
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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

Date	Milestone
February 2023	Payment of the Year 1 allocation if this MOU is signed before 15 February 2023.
March 2023	Payment of the Year 1 allocation if this MOU is signed after 15 February 2023 and before 15 March 2023.
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.

Appendix II: Equality, Social Inclusion and Health Impact Assessment (ESHIA)**Initial Screening Record****A. Summary Sheet on Accountability and Actions**

Name of proposed service change
<i>The New DHLUHC Local Authority Housing Fund</i>

Name of lead officer carrying out the screening
Melanie Holland

Decision, review, and monitoring

Decision	Yes	No
Initial (part one) ESHIA Only?	✓	
Proceed to Full ESHIA or HIA (part two) Report?		✓

If completion of an initial or Part One assessment is an appropriate and proportionate action at this stage, please use the boxes above. If a Full or Part Two report is required, please move on to full report stage once you have completed this initial screening assessment as a record of the considerations which you have given to this matter.

Actions to mitigate negative impact or enhance positive impact of the service change in terms of equality, social inclusion, and health considerations
<p>The funding is to for the Council to acquire and refurbish homes to be allocated to Ukrainian and Afghan refugees who are homeless or at risk of homelessness. Homelessness is not only the most acute form of housing inequality it also results in social inclusion and poor health outcomes. Therefore, by the Council agreeing to accept the full allocation of funding to deliver homes to tackle and prevent homelessness and using best endeavours to meet the target of 30 homes then it will help enhance the positive impact of the funding.</p> <p>There is a likely positive impact across the nine Protected Characteristic groupings as set out in the Equality Act 2010, particularly with regard to Age, Disability, Race, Religion or Belief, and Sex. Refugees and asylum seekers are identified as vulnerable individuals and households within the Council's tenth category of consideration, around social inclusion. Whilst this category is not a Protected Characteristic under the Equality Act, it is used by the Council to seek to ensure that due regard is given to individuals and households who are vulnerable, into which grouping refugees and asylum seekers assuredly fall as well as intersectionality across Protected Characteristic groupings.</p>

Actions to review and monitor the impact of the service change in terms of equality, social inclusion, and health considerations

The equality, social inclusion and health impacts of the programme will be monitored as part of the funding process and by officers who are working with refugees.

The authority will also seek to share approaches with comparator authorities, particularly other rural unitary authorities and other authorities in the West Midlands, in order to promote good practice

The authority will also need to consider additional needs of families with regard to access to places of worship and other communal support mechanisms, building upon local, regional and national knowledge gleaned from resettlement of Syrian refugee families, including physical location of housing.

Associated ESHIAs

ESHIA have been carried out in relation to the Council's overall housing policy approaches and in relation to the Council's overall strategic approach, ie the Shropshire Plan.

Actions to mitigate negative impact, enhance positive impact, and review and monitor overall impacts in terms of any other considerations. This includes climate change considerations

Climate change

Energy and fuel consumption: The sustainability and energy performance of accommodation will be considered as part of each business case to acquire individual dwellings or a scheme of dwellings. All acquisitions will have a minimum SAP rating of Band C.

Renewable energy generation: Each individual dwelling or scheme of dwellings will be considered for opportunities for renewable energy generation.

Carbon offsetting or mitigation: Given the nature and type of accommodation to be delivered under this programme, it is unlikely that there will be opportunities for carbon offsetting or mitigation.

Climate change adaptation: The identification of dwellings will take into account the potential need for climate change adaptation to manage the effects of more extreme weather.

Health and well being

The most extreme form of housing inequality is homelessness, therefore, it vital that the Council seeks to prevent homelessness and where households become homeless the Council ensures that they are able to access affordable dwelling which meets their needs. People experiencing homelessness face significant health inequalities and poorer health outcomes as compared to the rest of the population. Therefore, being able to access a settled, affordable home which meets a household's needs is essential to health and well-being, especially those families who have fled conflict.

Economic and societal/wider community

By preventing homelessness and where households become homeless the Council ensures that they are able to access affordable dwelling which meets their needs, the benefits are not limited to improving the individual health and wellbeing of those allocated housing but can be much wider. For example, the provision of settled affordable housing can result in households being able to escape the “benefits trap”.

Scrutiny at Part One screening stage

People involved	Signatures	Date
<i>Lead officer carrying out the screening</i>		13 February 2023
<i>Any internal service area support*</i>		
<i>Any external support**</i> Mrs Lois Dale, Rurality and Equalities Specialist		14 th February 2023

****This refers to other officers within the service area***

*****This refers to support external to the service but within the Council, e.g., the Rurality and Equalities Specialist, the Feedback and Insight Team, performance data specialists, Climate Change specialists, and Public Health colleagues***

Sign off at Part One screening stage

Name	Signatures	Date
<i>Lead officer's name</i>		
<i>Accountable officer's name</i>		

****This may either be the Head of Service or the lead officer***

B. Detailed Screening Assessment

Aims of the service change and description

Shropshire Council has been allocated just over £3.2m under the Local Authority Housing Fund to acquire and refurbish 30 dwellings to be initially allocated to Ukrainian and Afghan refugee households who are statutory homeless or at risk of homelessness. Once the immediate need is met, the dwellings can be used to meet the Council's wider housing and homelessness pressures.

The funding programme comprises two elements:

- the acquisition of 26 homes with two or more bedrooms for Ukrainian refugees who are homeless or at risk of homelessness; and
- the acquisition of four homes each with a minimum of four-bedrooms for Afghan refugees currently accommodated in bridging hotels.

The grant funding is to be paid in 2022-23 and 2023-24 under section 31 of the Local Government Act 2003. In order to receive the first tranche of funding the Council is required to sign and return the Memorandum of Understanding (MoU) contained at Appendix I to DLUHC by 15 March 2023 at the latest.

Although by signing the MoU the Council agrees to make best endeavours to deliver the target of 30 homes by 30 November 2023, if the Council is unable to meet this target (and DLUHC chooses not to extend the long-stop date) the Council will be required to return any unspent grant, but will not be subject to any penalties.

This report proposes a programme of up to £7.2m comprising the allocated grant, the use of Section 106 commuted sums and borrowing on rental income to acquire and refurbish new build and relatively new homes to provide affordable housing to meet the needs of Ukraine and Afghan refugees who are homeless or at risk of homelessness. The homes will be held in the Housing Revenue Account² (HRA) and will be managed by the Council's Arms' Length Management Organisation (ALMO) Shropshire Towns and Rural (STAR) Housing.

Intended audiences and target groups for the service change

Ukrainian and Afghan refugee households who are statutory homeless or at risk of homelessness. Following the immediate need being met, other homeless households and those in housing need.

Evidence used for screening of the service change

N/A

Specific consultation and engagement with intended audiences and target groups for the service change

N/A

² The HRA is the Council's landlord account; it is a ring-fenced account within the General Fund.

Initial equality impact assessment by grouping (Initial health impact assessment is included below)

Please rate the impact that you perceive the service change is likely to have on a group, through stating this in the relevant column.

Please state if it is anticipated to be neutral (no impact) and add any extra notes that you think might be helpful for readers.

Protected Characteristic groupings and other groupings in Shropshire	High negative impact <i>Part Two ESIIA required</i>	High positive impact <i>Part One ESIIA required</i>	Medium positive or negative impact <i>Part One ESIIA required</i>	Low positive, negative, or neutral impact (please specify) <i>Part One ESIIA required</i>
<u>Age</u> (please include children, young people, young people leaving care, people of working age, older people. Some people may belong to more than one group e.g., a child or young person for whom there are safeguarding concerns e.g., an older person with disability)			Positive impact	
<u>Disability</u> (please include mental health conditions and syndromes; hidden disabilities including autism and Crohn's disease; physical and sensory disabilities or impairments; learning disabilities; Multiple Sclerosis; cancer; and HIV)			Positive impact	
<u>Gender re-assignment</u> (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				Neutral impact
<u>Marriage and Civil Partnership</u> (please include associated aspects: caring responsibility,				Neutral impact

potential for bullying and harassment)				
<u>Pregnancy and Maternity</u> (please include associated aspects: safety, caring responsibility, potential for bullying and harassment)				Neutral impact
<u>Race</u> (please include ethnicity, nationality, culture, language, Gypsy, Traveller)			Positive impact	
<u>Religion and belief</u> (please include Buddhism, Christianity, Hinduism, Islam, Jainism, Judaism, Nonconformists; Rastafarianism; Shinto, Sikhism, Taoism, Zoroastrianism, and any others)			Positive impact	
<u>Sex</u> (this can also be viewed as relating to gender. Please include associated aspects: safety, caring responsibility, potential for bullying and harassment)			Positive impact	
<u>Sexual Orientation</u> (please include associated aspects: safety; caring responsibility; potential for bullying and harassment)				Neutral impact
<u>Other: Social Inclusion</u> (please include families and friends with caring responsibilities; households in poverty; people for whom there			Positive impact	

are safeguarding concerns; people you consider to be vulnerable; people with health inequalities; refugees and asylum seekers; rural communities; veterans and serving members of the armed forces and their families)				
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Initial health and wellbeing impact assessment by category

Please rate the impact that you perceive the service change is likely to have with regard to health and wellbeing, through stating this in the relevant column.

Please state if it is anticipated to be neutral (no impact) and add any extra notes that you think might be helpful for readers.

Health and wellbeing: individuals and communities in Shropshire	High negative impact <i>Part Two HIA required</i>	High positive impact	Medium positive or negative impact	Low positive negative or neutral impact (please specify)
<p>Will the proposal have a <i>direct impact</i> on an individual's health, mental health and wellbeing?</p> <p>For example, would it cause ill health, affecting social inclusion, independence and participation?</p>			Positive impact	
<p>Will the proposal <i>indirectly impact</i> an individual's ability to improve their own health and wellbeing?</p> <p>For example, will it affect their ability to be physically active, choose healthy food, reduce drinking and smoking?</p>			Positive impact	

<p>Will the policy have a <i>direct impact</i> on the community - social, economic and environmental living conditions that would impact health?</p> <p>For example, would it affect housing, transport, child development, education, employment opportunities, availability of green space or climate change mitigation?</p> <p>.</p>				<p>Neutral to low positive</p>
<p>Will there be a likely change in <i>demand</i> for or access to health and social care services?</p> <p>For example: Primary Care, Hospital Care, Community Services, Mental Health, Local Authority services including Social Services?</p> <p>.</p>			<p>Positive impact</p>	

Identification of likely impact of the service change in terms of other considerations including climate change and economic or societal impacts

This will be kept under review as the project progresses.