



**Council – 26 January 2023**

## **REFUGEES AND DISPLACED PEOPLE**

### **Report of Director of Housing**

#### **Report Author and Contact Details**

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#### **Wards Affected**

District wide

### **Report Summary**

The District Council has supported national requests to take part in various programmes supporting refugees and displaced people. Each programme has a separate set of processes and resources determined by government. Working with a range of partners the District Council has been able to respond to the each programme in a proportionate way. We have been conscious of balancing the needs of people fleeing their own country with the needs of local people who are also vulnerable and often experiencing homelessness. The latest programme of support will aim to focus on purchasing existing private sector properties rather than making available social housing.

### **Recommendation**

1. That the Council formally accepts the offer of £2,036,232 under the Local Authority Housing Fund Grant.
2. That the proposed delivery of the Local Authority Housing Fund as detailed within paragraph 3.2 of the report be approved and endorsed
3. That authority be delegated to the Director of Housing, in consultation with the Director of Resources, to allocate the Local Authority Housing Fund with a report to be submitted to Community and Environment Committee after March 2023.
4. That the Director of Housing be authorised to continue to deliver wider refugee support as part of the UK Resettlement Scheme, where opportunities allow.

5. That the Director of Housing be authorised to deliver the Homes for Ukraine Scheme grant from Derbyshire County Council and the impending Ukraine Support Grant from the Department for Levelling Up, Housing and Communities.
  
6. That the approach to working with Derbyshire County Council, East Midlands Councils and (where needed) Serco to provide accommodation under the Asylum Dispersal Scheme be noted.

### **List of Appendices**

Appendix 1 Validation Form

### **Background Papers**

None

### **Consideration of report by Council or other committee**

No

### **Council Approval Required**

Yes

### **Exempt from Press or Public**

No

## Refugees and Displaced People

### 1. Background

- 1.1 The Syrian refugee crisis in 2017 was the first major refugee programme the District Council has taken an active role in. The government made a commitment of supporting 20,000 families fleeing Syria and councils across the UK began to offer accommodation to support this commitment. Derbyshire Dales provided 13 properties over a 5 year period and families have been successfully settled. The Syrian Refugee Scheme later became the UK Resettlement Scheme with less emphasis on Syrians, instead adopting a wider geographic remit. Derbyshire County Council coordinate the processes involved working with district and borough councils. The regional organisation, East Midlands Councils, is the link between the government and the local county partnerships. The Syrian programme was very much a planned and relatively well thought out approach to supporting 20,000 households over 5 years.
- 1.2 Members will already know that following the Syrian crisis, further international issues in Afghanistan and Ukraine have resulted in further requests for assistance. The response to the Afghanistan crisis was very rapid with mass evacuations from the country to hotels in the UK. So, unlike the Syrian scheme, government and councils have faced a relatively large and instant number of people all needing move-on accommodation in a very short space of time. Councils have struggled to respond effectively to the crisis, largely due to the ongoing impact of covid-19 and the fact that the turnover of existing social homes barely meets local housing need in many parts of the country. Afghan families are also often much larger in number and there is a real mismatch in available 4 and 5 bed homes within the UK social housing stock. Working with a local community refugee group, the Council has been able to accommodate 1 Afghan family in one of the Council's own new properties.
- 1.3 The Homes for Ukraine scheme is very much driven by UK citizens who wish to offer space in their homes for refugees fleeing the war in Ukraine. The government has facilitated various ways of supporting the process but essentially potential hosts are making contact with families and agencies in Ukraine and bringing people to the UK. In Derbyshire, Derbyshire Dales has seen one of the highest levels of Ukrainian refugees coming to the district with around 120 so far arriving since the scheme began in March 2022. Most have stayed, some have returned and some moved elsewhere in the UK.
- 1.4 Almost immediately in a small number of cases the relationship between host families and the refugee family broke down. Host families committed to accommodate refugees for 6 months and received a goodwill payment from the government. Concerns were expressed about what happens at the end of the 6 month period. However government has now provided funds to upper tier councils to make local arrangements that will see the ongoing financial support for host families. This is particularly welcome as the cost of living crisis impacts host families. Derbyshire County Council has recognised the importance of supporting the local housing authorities with funding to expand their local offer of support for Ukrainian refugees

alongside the existing support already in place for local residents. District and Borough councils have been allocated funding to cover the cost of host property inspections, emergency accommodation and to expand their housing advice and support services. Derbyshire Dales has received £413,000.

### ***Local Authority Housing Fund***

- 1.5 At the end of December 2022 the government announced a new £500m capital fund for local authorities in England to provide accommodation to families who have arrived in the UK via the Ukrainian and Afghan resettlement and relocation schemes. The DLUHC 'Local Authority Housing Fund' (LAHF) reflects the challenges local authorities are facing in securing settled accommodation and to alleviate homelessness. The LAHF will help to address immediate pressures and build a sustainable stock of affordable homes for the future.
- 1.6 Derbyshire Dales DC has been offered an initial indicative allocation of £2,036,232 capital funding to acquire 18 homes through a broad and flexible range of approaches including acquiring empty homes, acquiring new build 'off the shelf', developing new build properties and helping other organisations such as housing associations to secure homes. The LAHF gives flexibility to councils to achieve the fund's objectives and bring on stream the accommodation as quickly as possible. The grant is paid in tranches based on progress with completion of the programme by March 31<sup>st</sup> 2024.
- 1.7 There are two elements to the LAHF:
  - A "main element" to provide general accommodation for refugees. This funding equates to 40% of total capital costs at an average of up to £86,000 per property, plus £20,000 per property for costs associated with legal fees etc. and repairs. Derbyshire Dales District Council has been allocated up to £1,802,000. With this funding the Council is expected to deliver a minimum of 17 "main element" homes.
  - A "bridging element" to provide larger 4 bed+ homes to help reduce the use of hotels for Afghan families. This equates to 50% of total capital costs at an average grant rate of up to £214,232, plus £20,000 per property for costs associated with legal fees etc. and repairs. Derbyshire Dales District Council has been allocated up to £234,232. With this funding the Council is expected to deliver 1 "bridging element" home.
- 1.8 The Council is expected to submit a proposal by 25 January 2023 to indicate how we would use the funding and to sign a Memorandum of Understanding (MoU) by early March. The MoU is the binding document. The expectation is that councils will acquire existing properties as this will be the quickest route to deliver the numbers required. Once the Council's proposal is accepted, the first 30% tranche will be paid before the end of March 2023. The 2<sup>nd</sup> tranche will be paid when 60% of the first tranche has been spent. The Council will be expected to provide updates on progress on a regular basis. In the event that some councils fail to deliver or decline the LAHF

offer, additional funding may be made available. Homes purchased will form part of the Council's growing portfolio of council housing, with Nottingham Community HA acting as both development and management agent. Ongoing maintenance and repairs will be included as part of the Council's contract with Nottingham Community HA.

- 1.9 The Council is in a fortunate position of having an existing programme of affordable housing delivery that provides the opportunity to take advantage of the LAHF allocation. The Housing Team have been working on a pipeline of schemes and properties already in or about to be added to the capital programme, subject to Member approval. We have already established a working method of acquiring empty and low cost homes with Nottingham Community HA working as our development agent. However the LAHF grant rate of 40% for main element homes is not attractive, leaving the Council to finance 60% of the acquisition costs. The Council's Empty Homes Officer is also working to identify suitable properties that could be acquired.
- 1.10 The Council's original housing programme is based on a mix of acquiring s106 properties, empty homes and new build. The LAHF programme is based on acquiring existing stock. New build is not an option given the timetable set by government. The government timetable and LAHF flexibility is suggesting that councils need to move quickly in order to progress this funding. As such the existing Council housing programme provides an approval process that seeks approval from the Chair and Vice Chair of the Community and Environment Committee with retrospective reporting to a future committee. This process is sufficient for the LAHF programme although at this stage, officers suggest that the Director of Housing is given approval to allocate the LAHF in the most appropriate way as opportunities arise. This will include either splitting or reallocating existing allocations in the capital programme and finding new acquisitions yet to be identified. The Council's S151 officer will need to sign off the LAHF proposal before submission to DLUHC.
- 1.11 As an example, the Housing Team are pursuing an opportunity to purchase a long term empty home in Darley Dale for £135,000. The allocation is already in the capital programme with 100% of the funding coming from DDDC. By using the LAHF, the Council can apply £54,000 towards the acquisition of the property and £20,000 towards the legal costs and improvement works. This effectively frees up £74,000 of the Council's resources to deliver another property elsewhere.
- 1.12 The purchase of homes will need to reflect the location of the current cohort of Ukrainian refugees within the Derbyshire Dales. The Housing Team have reviewed the address information and bedroom need for all of the refugees. The table below provides a summary of the district need. One of the key challenges in purchasing existing homes is the open market values suitable properties will be on the market for. The majority of homes in many of the district's villages will exceed the maximum property value set by the LAHF fund of £215,000. There is a further complication when buying flats which have a service charge attached to them. If the flat is charged at a social rent, the service charge falls on the tenant. If the flat is charged at an Affordable Rent, the service charge comes off the rent paid to the Council.

Flats purchased in the private sector typically have far higher service charges than the social sector and so this will impact on the viability of some opportunities. However flats can often have a lower value and therefore make the overall scheme more affordable.

Current Location and Household Type	Bedroom need					Total
	1	2	3	4	5	
Ashbourne	7	9	5	2	1	24
Bakewell	3	5	3	0	0	11
Northern villages	6	6	5	1	0	18
Central villages	3	4	2	0	0	9
Southern villages	0	4	0	0	0	4
Darley Dale	2	0	2	0	0	4
Matlock	8	15	7	2	1	33
Wirksworth	3	0	2	0	0	5
<b>Total</b>	<b>32</b>	<b>43</b>	<b>26</b>	<b>5</b>	<b>2</b>	<b>108</b>

- 1.13 Given the demand profile, grant rate and the availability of lower cost homes within the market towns it is proposed to focus on Matlock/Darley Dale, Ashbourne and Wirksworth. The LAHF programme will only support at most 16% of the current cohort and given the relative sustainability of the market towns, the potential to meet need will be more likely in those locations. However all locations will be considered if the business case is realistic.
- 1.14 The LAHF is challenging and the ability to deliver should not be underestimated. It is possible that the full allocation will not be taken up. If that is the case, any unspent grant can be returned to DLUCH
- 1.15 The funding prospectus produced by DLUHC suggests councils develop a local lettings plan to regulate the allocation of homes secured through the LAHF. This will reflect the overall scale of the provision relative to the potential need and help to manage expectations of potential tenants.
- 1.16 At the same time the LAHF was announced the government also confirmed an allocation of £150m additional funding for local authorities across the UK to help support Ukrainian guests in to their own homes and reduce the risk of homelessness. At the time of publication of this report, no further information has been provided by DLUHC. However officers are keen to ensure that when made, the grant is put to use quickly without the need to return to Council with a further report. Depending on the scale of grant, Officers propose to use the funding in the same way as the Homes for Ukraine scheme outlined in para.1.4 and 3.2, i.e. practical advice and assistance, additional staff resources and support of voluntary sector initiatives that lead to people moving in to a home and/or retaining a home.
- 1.17 The ongoing movement of people across Europe trying to reach the UK to claim asylum has also been significant and placed considerable pressure on government and the agencies involved in the asylum process. Accommodating people while their asylum claim is being processed is a

national challenge, though until recently largely fallen on urban authorities. The pressure on the asylum system has now become so great that every local authority in England is now considered an asylum dispersal area. The government has appointed contractors to operate at regional level to secure sufficient accommodation.

- 1.18 In the East Midlands the contractor is Serco. The processes and pace at which the accommodation providers work reflect the pressure the asylum system is under. Providers are actively looking for private rented accommodation to lease over a 7 year period around Local Housing Allowance rates, with a guaranteed rent to the landlord. Councils are consulted on properties that are being considered by the provider and have 3 days to respond. This reflects the pace at which properties are being snapped up by people desperate to secure a private tenancy. A figure of 39 asylum seekers are proposed by government to be accommodated in the Derbyshire Dales by December 2023. It is likely that the local private rented market and the rents that such homes can secure will make it challenging for Serco to find suitable affordable properties. At the time of writing this report, the consultation process with local authorities was under review and officers expect a revised approach to be imposed by government imminently.
- 1.19 There are other refugee schemes linked to Hong Kong Nationals and children etc. but these are largely taking place elsewhere or have less impact on the Dales. Local joint work between all the public agencies involved and community groups across the county is ongoing. Each of the refugee and asylum schemes mentioned is complex and comes with their own unique and varied differences. Derbyshire County Council have adopted a collaborative and partnership approach to these programmes and the District Council plays a full and ongoing role to support the process.
- 1.20 Local housing need remains challenging with a general reduction in available homes due to the ongoing impact of the covid pandemic, pent up demand from households impacted by changes in the housing sector and the inevitable impact of the cost of living crisis. All of this means that councils are facing a challenging time as staff on the frontline work hard to find sustainable solutions for residents in housing need. As demand grows from external pressures resulting from refugees and displaced persons, the Council has to balance the range of needs carefully.

## **2. Key Issues**

- 2.1 The most clear and present housing issues facing the district currently are those from local residents in housing need and Ukrainian refugees who will for one reason or another, need to move on from their current host family imminently or at some point in the future. The available resources to support local people are already in place and despite the current pressure it is only the lack of available accommodation that is an issue. The range of support services and our access to funding to provide solutions are sufficient at present.

- 2.2 The allocation of £413,000 from the Homes for Ukraine programme provides scope for the Council to expand our existing staff resource on a temporary basis and also the available options necessary to help create additional tenancies.
- 2.3 The LAHF is a clear indication of the pressure building in the Refugee and Asylum system. There is an urgent need to provide additional settled accommodation in a very short space of time and the Council's role is central to delivery of the homes required. However the 40% grant rate coupled with the market conditions in the Dales make the LAHF a challenging proposition.
- 2.4 The UKRS remains active and the Council is part way through a commitment to provide 6 to 8 tenancies between 2021 and 2024. Typically the Council's support has focused on properties that would not normally mean local people are disadvantaged. We have focused on new build when larger schemes are completed, using properties repurposed from care and support contracts, hard to let properties or homes in areas where turnover is traditionally greater.
- 2.5 With the exception of the new LAHF funding, the Afghan schemes remain voluntary for local authorities to participate in. There is a distinct mismatch between the housing needs of Afghan refugees and the available accommodation in the Dales. For some refugees the Dales is perceived as a remote area with less opportunity for employment and access to established Afghan communities. The LAHF represents the first additional resources for district and borough councils to support the programme. Building on the work with Ashbourne Community Refugee Group, it is likely that the Council can secure a bridging home in the Ashbourne area.
- 2.6 The Asylum dispersal scheme is largely outside of local authority control and there is little district and borough councils are required to do. The government is the commissioner of this scheme and regional providers such as Serco are the delivery organisation.

### **3. Options Considered and Recommended Proposal**

- 3.1 The options open to the District Council reflect the resourcing available and our ability to effect meaningful change for those likely to approach the council for assistance. The Council also has to work within the arrangements set by government. For much of the activity set out in this report there is little discretion to take an alternative approach.
- 3.2 For the Homes for Ukraine scheme and utilising the revenue grant from Derbyshire County Council and the DLUHC Ukrainian Support Grant, it is proposed to;
- Recruit an additional Home-Options Support Officer at £41,000/yr with full cost recovery
  - Develop and implement a new Private Rent access strategy. Many Ukrainian refugees have not been in the country long enough to establish a credit footprint which is a barrier to accessing private rented



accommodation. Therefore households without a credit footprint require someone to act as a guarantor – which is basically an insurance for landlords to mitigate any costs or damage. A scheme and parameters will be developed. It is proposed to deliver the Guarantor Scheme (rent/bond/guarantee) at a cost of £55,000 and expand our existing Rent in advance/bond at a cost of £36,000.

- Homelessness – there is the potential for breakdowns and the one case to date cost £4100 in B&B and therefore contingencies need to be in place for future placements. It is proposed to expand our existing B&B budget at a cost of £40,000
  - Voluntary Sector – part of the work of the housing team will be to identify voluntary support and services that we can engage to provide additional capacity
  - Contingency – the proposals set out above are very much best guess as these are circumstances we have never been required to meet previously. We also do not know how long we will need to provide support and services to this group. Ukrainian refugees continue to be accepted by hosts in the district and host arrangements are breaking down or guests want to move to live independently over time. We may need to fund additional posts to respond to increases in homelessness or extend the support role into a 3<sup>rd</sup> year. It is proposed at this stage to leave £152,600 as contingency, so we can respond to emerging issues.
  - For the LAHF scheme the options are:
    - As a registered provider of affordable housing the Council can take up the offer of the LAHF grant and purchase the required homes. The Council could also pass some or all of the grant on to another Registered Provider. Most housing associations are currently focussed on delivering their own established 4 year programme of mainstream government funded housing development. There is little appetite from the main housing associations to want to purchase individual properties. The District Council's affordable housing programme is well placed to deliver the LAHF scheme. However before the Council signs the Memorandum of Understanding with DLUHC, further work is needed to determine how much of the allocation can be taken up.
- 3.3 The asylum dispersal process has no additional resources for local authorities and is a government commissioned scheme. At this stage it is proposed to continue to work with Derbyshire County Council and East Midlands Councils. We will work with Serco and respond to any properties put forward within the required time period.
- 3.4 In relation to the UKRS, it is proposed that the District Council continues its support focusing on properties where the impact on local supply is minimal.
- 3.5 In relation to the Afghan scheme, the Council can most likely deliver a bridging home in the Ashbourne area by purchasing a home from the private

sector using the LAHF grant. Any other properties would need to come from the empty homes route.

#### **4. Consultation**

- 4.1 Consultation around the Council's involvement in these different programmes is not straightforward. There are few policy options to consult on and in the case of the Ukraine scheme local people have taken it upon themselves to engage in the process. Conversely the asylum dispersal system will most likely happen whatever residents have to say about it. This report is itself the main form of consulting residents on the issues and much of this has already been done through national media. The pace of delivery required by DLUHC also makes it very difficult to undertake a meaningful consultation process.
- 4.2 Consultation has taken place with the Ashbourne Community Refugee Group concerning the provision of a 'bringing house' in the Ashbourne area. The group remain committed to working with the district council and are keen to support a family that takes up the home purchased by the Council.

#### **5. Timetable for Implementation**

- 5.1 Clearly much of this work is already underway. Subject to Member approval the Homes for Ukraine elements can be taken forward and will last for at least 2 years. The local housing market across social, private and owner occupied sectors will change over time and this may further impact our approach. Future reports will come back to Members advising of changes and recommendations for policy changes.
- 5.2 The LAHF programme will run from March 2023 to the 31<sup>st</sup> March 2024, although DLUHC are very clear about their desire to start as soon as possible.

#### **6. Policy Implications**

- 6.1 Given all the challenges set out above, the single most important policy implication is the need to create both more social tenancies in the social sector and affordable tenancies in the private rented sector. The Council will need to respond to these issues through continued delivery of affordable housing, dedicated homelessness and housing advice services, engagement with the voluntary and community sector and the timely intervention in the housing market through capital expenditure to acquire homes and revenue funding, via grants, to support access to tenancies.
- 6.2 The LAHF scheme is an extension of the Council's existing social housing programme and will increase the Council's housing stock and the subsequent rental income that will result.

## 7. Financial and Resource Implications

7.1 Derbyshire Dales District Council has received funding of £413,000 to offset costs of the Homes for Ukraine scheme. The financial risk of this scheme is therefore assessed as low.

7.2 Derbyshire Dales District Council has been offered an initial indicative allocation of £2,036,232 capital funding under the Local Authority Housing Fund (LAHF). Paragraphs 1.5 to 1.8 of this report provide details of the fund.

7.3 Key points to note are:

- With the funding of £2,036,232, the Council is expected to deliver a minimum of 17 properties under the main elements of the scheme and 1 under the bridging element. This could be challenging;
- The LAHF will help to address immediate pressures and build a sustainable stock of affordable homes for the future. This means that the Council will have a future source of revenue income (as well as future expenditure to manage & maintain the properties), though it is not yet possible to quantify this;
- For the “main element” the funding of £1.802m only covers 40% of the total capital costs at an average of up to £86,000 per property, plus £20,000 per property for costs associated with legal fees etc. and repairs. The Council will, therefore, need to provide the remaining 60% (around £2.7m). It is possible that properties will be available at a lower value than the £215,000 on which the grant allocation is based; if so, this will reduce the Council’s contribution as well as the grant requirement;
- For the “bridging element” the funding equates to 50% of total capital costs at an average grant rate of up to £214,232, plus £20,000 per property for costs associated with legal fees etc. and repairs. The Council will, therefore, need to provide the remaining 50% (around £215,000). It is possible that properties will be available at a lower value than the £428k on which the grant allocation is based; if so, this will reduce the Council’s contribution as well as the grant requirement;
- As indicated in paragraph 1.12, one of the key challenges in purchasing existing homes within the district is the open market values suitable properties will be on the market for. The majority of homes in many of the district’s villages will exceed the maximum property value set by the LAHF fund of £215,000. This will make it very challenging to deliver the minimum numbers of properties required under the scheme within villages, which is why the focus will be on market towns.
- As indicated in paragraph 1.14, The LAHF is challenging and the ability to deliver should not be underestimated. It is possible that the full allocation will not be taken up.

7.4 The Council is expected to submit proposals for how we would use the funding by the 25<sup>th</sup> January 2023 and sign a Memorandum of Understanding (MoU) by early March. However, before the Council signs the Memorandum of Understanding with DLUHC, further work is needed to determine how much of the allocation can be taken up.

- 7.5 As indicated in paragraphs 1.9 to 1.11 of the report, the current capital programme already includes some projects that could meet the criteria for this scheme. However, there is still a significant amount of “match funding” that the Council will need to identify. This can be met from Section 106 contributions. At the time of writing the report, the value of section 106 contributions that is uncommitted and available for housing is forecast at £2,884,085, after allowing for new bids to the capital programme that are due to be considered by Council on 2 March. The Director of Housing and the Director of Resources will work together to assess the level of capital funding that is available for this scheme. This work will form the basis of the Council’s proposals. An update will be provided at the Council meeting on 26 January 2023.
- 7.6 Given the challenges outlined above, the financial risk of the LAHF is assessed as high.
- 7.7 Derbyshire Dales District Council is expecting to receive a grant allocation of additional funding to help support Ukrainian guests in to their own homes and reduce the risk of homelessness. If spending is within the funding level, the financial risk will be low.
- 7.8 The impact of the LAHF on the Council’s staff resources will not be significant. The acquisition, renovation and allocations work will be undertaken by Nottingham Community HA. There will be staff time taken up within the Housing Team, identifying opportunities and organising the signing of documents and adding properties to the Council’s insurance policy. The impact of the revenue funding will be positive, giving staff more resource to support the cohort of Ukrainian refugees and free up time to expand the Council’s housing advice and support services for residents.

## **8. Legal Advice and Implications**

- 8.1 This report is in connection with the District Council support of national requests to take part in various programmes supporting refugees and displaced people. This latest programme of support will aim to focus on purchasing existing private sector properties rather than making available social housing.
- 8.2 The recommendations contained within this report includes formal acceptance of an offer of £2,036,232 under the Local Authority Housing Fund Grant, approval of the Local Authority Housing Fund be approved and endorsed, authority be delegated to allocate the Local Authority Housing Fund with a report to be submitted after March 2023, that the Director of Housing be authorised to continue to deliver wider refugee support as part of the UK Resettlement Scheme, where opportunities allow, that the Director of Housing be authorised to deliver the Homes for Ukraine Scheme grant from Derbyshire County Council and the impending Ukraine Support Grant from the Department for Levelling Up, Housing and Communities and lastly that the approach to working with Derbyshire County Council, East Midlands Councils and (where needed) Serco to provide accommodation under the Asylum Dispersal Scheme be noted.

8.3 There are a number of recommendation contained with this reports which will required a lot of resources to undertake, however on the assumption that all work/legal work is carried out in line with all the fund requirements, the Legal risk has been assessed as low

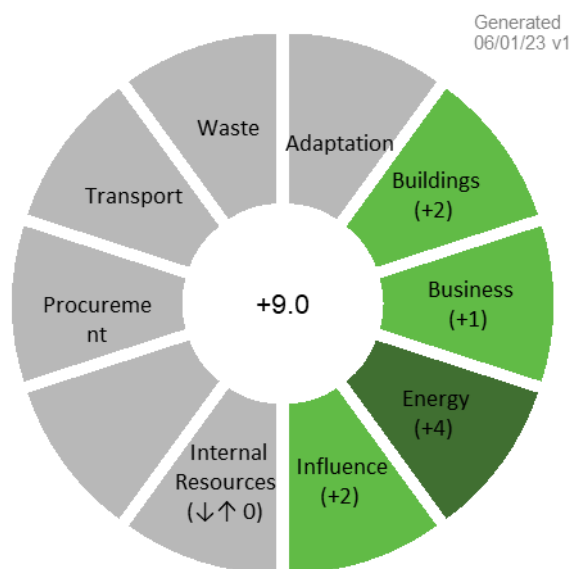
## 9. Equalities Implications

9.1 Homelessness services provide support for all residents. Certain priority groups are given additional support and these often overlap with protected groups and vulnerable households. The equalities implications are therefore positive.

## 10. Climate Change Implications

10.1 The LAHF programme will undoubtedly bring empty homes back in to use. Doing this supports our climate change objectives as it is in effect a form of recycling - putting back into use redundant properties which while vacant have no functional value. Providing additional, useable homes in this way is also far less energy intensive than building entirely new properties. Regarding on going use of these newly reoccupied homes, it is the Council's stated ambition to improve all acquired homes to EPC B and as such the LAHF will continue this theme.

10.2 The LAHF programme will fund the purchase of brand new homes from private developers, or older homes that are in need of modernisation. The majority of new build homes will achieve EPC B based on a fabric first approach. The area where the Council's investment will have greatest impact from a climate change perspective, concerns existing homes that require both substantial improvement in the building's fabric to prevent heat loss and renewable energy solutions to reduce demand for gas/oil and electricity. Bringing empty homes back in to use and leading by example are effective methods to influence and encourage other property owners to improve their homes.



DDDC has committed to being a carbon neutral organisation by 2030 (6 years and 11 months away).

## 11. Risk Management

- 11.1 There are inherent risks with development programmes that inevitably slow down the intended objectives. In the case of the LAHF, DLUHC have asked for a basic risk assessment to be provided as part of the Validation Form. The Validation form is attached at Appendix 1.

### Report Authorisation

Approvals obtained from:-

	<b>Named Officer</b>	<b>Date</b>
Chief Executive	Paul Wilson	18/01/2023
Director of Resources/ S.151 Officer (or Financial Services Manager)	Karen Henriksen	18/01/2023
Monitoring Officer (or Legal Services Manager)	James McLaughlin	18/01/2023

## APPENDIX 1

### VALIDATION FORM

#### Validation form questions

1. Are you willing and able to participate in the Local Authority Housing Fund programme?
  - Yes (form proceeds to question 3) **Yes**
  - No (form proceeds to question 2)
2. Please provide further details of why you are not willing or able to participate in the programme (form proceeds to end).
3. Does the proposal you outline in this form meet the fund objectives outlined below? (Please note this is requirement of the fund and if not agreed you will not be able to participate in the fund.) **Yes**
4. For the "main element" of the fund, how many homes can you acquire by 30th November 2023 (this is a target date, payments will be honoured assuming delivery within financial years 2022/23 and 2023/24)? **17**

*Note: if you can deliver fewer than your initial allocation, your funding will be scaled down proportionally to reflect the number of homes, based on the grant per property outlined in your allocation email. If you state you can deliver more homes at this grant rate than your initial allocation, we will progress with the MoU using your initial allocation and following reallocation process, we will confirm whether any additional funding is available to enable you to deliver more than your initial allocation. All delivery proposals in this section should be based on the policy in section 2.1 of the prospectus and the grant per property set out in your allocation email.*

5. For the "bridging element" of the fund, how many 4+ bedroom homes can you acquire by 30th November 2023 (this is a target date, payments will be honoured assuming delivery within financial years 2022/23 and 2023/24)? **1**

*Note: if you can deliver fewer than your initial allocation, your funding will be scaled down proportionally to reflect the number of homes, based on the grant per property outlined in your allocation email. If you state you can deliver more homes at this grant rate than your initial allocation, we will progress with the MoU using your initial allocation and following reallocation process, we will confirm whether any additional funding is available to enable you to deliver more than your initial allocation. All delivery proposals in this section should be based on the policy in section 2.1 of the prospectus and the grant per property set out in your allocation email.*

6. Do you agree to provide progress reports every 2 months until delivery is completed including Management Information (MI) and reporting against Key Performance Indicators (KPIs) as detailed in the prospectus? **Yes**

*(Please note this is requirement of the fund and if not agreed you will not be able to participate in the fund.)*

7. Has your Section 151 Officer or Deputy S151 Officer approved this submission? **TBC**

*(Please note this is requirement of the fund and if not agreed you will not be able to participate in the fund.)*

### **Additional non-assessed questions**

The next set of questions are not assessed and will be used by the department to aid policy development and evaluation design only.

1. If the number of “main element” properties you can deliver is fewer than your allocated number, please outline the reasons for this. **N/A**
2. If the number of 4+ bedroom “bridging element” properties you can deliver is fewer than your allocated number, please outline the reasons for this. **N/A**
3. How do you plan on delivering your proposed/target number of homes?

***Derbyshire Dales DC is a Registered Provider of Affordable Homes and has a small but growing programme of affordable housing delivery. We work with Nottingham Community HA who act as our Development and Management Agent. We have an existing pipeline of schemes including the acquisition of empty homes, purchase of S106 homes on market sites and two small new build schemes on council owned land. One of our very first new council homes was made available to the Ashbourne Community Refugee Group. We subsequently accommodated an Afghan family from a bridging hotel through the Community Sponsorship route.***

***DDDC employ an Empty Homes Officer who was already working on the identification of potential purchases of existing private sector empty homes.***

Please provide details of the type of stock you plan to acquire, noting the non-exhaustive list of examples provided in section 3 of the programme prospectus.

***For main element homes we plan to expand our programme of purchasing low cost and empty homes in our main towns and s106 developments. We will also pursue ‘off the shelf’, 2 and 3 bed homes on private development. For the bridging element home we plan to work with the Ashbourne Community Refugee Group to provide a second community sponsorship home. A 4 bed house in Ashbourne can only be achieved by purchasing an existing private property currently for sale on the open market.***

4. If your chosen delivery plan will add to existing housing in your area, please provide an estimate of the number of new homes. ***At this stage we will not be able to provide any net gain in new homes, given the timetable set by DLUHC. New build provision using LAHF would be***



**welcome but DLUHC commitments must extend in to 2024/25/26 to be effective for DDDC.**

5. Please provide your key milestones for delivery, including decision making timelines. **Derbyshire Dales DC will achieve corporate sign off of the LAHF programme at full Council on the 26<sup>th</sup> January 2023. The Director of Housing already has delegated authority to assess opportunities and make bids for properties and schemes in consultation with the Chair and Vice Chair of our Community and Environment Committee. Nottingham Community HA provide an appraisal of each opportunity to ensure each scheme is viable and within normal development programme limits.**

January	Scheme Development and approval by DDDC and DLUHC
January/February/March	Review current pipeline of council schemes and identify new opportunities for inclusion in the LAHF programme, including empty homes, off the shelf purchase and properties on the open market
March	Offer made on 4 bed bridging element property, legal completion and minor void works completed by July 2023
April	First new homes at Tansley acquired and let by end of May 2023
May	Empty home at Darley Dale acquired – 2 months void works, available in July 2023
June/July/August	Progressing off the shelf completions and empty home purchases
September/October/November	Final round of completions
December/January/February/March	Final void works completed and properties occupied

6. Based on the indicative approach(es) identified in your delivery plan above, please provide a brief overview that shows a financial projection of how and when the budget will be spent versus the timescales / number of homes to be acquired. **TBC**
7. How do you intend to fund your contributory share required to secure your proposed/target number of homes? (e.g. from capital receipts, revenue, borrowing or funded by a partner?) *DDDC already has capital allocations in place using s106 income which we will utilise for this programme.*
8. What are the key risks for delivery and how do you intend to mitigate them? **The key risks are**

<b>Risk</b>	<b>Impact</b>	<b>Mitigation</b>
Fail to acquire property	<p>S106 schemes are open to competitive bids by other RPs including 'For Profit' RPs.</p> <p>Empty Homes are usually empty for a specific reason. There may not be time to resolve such issues</p>	<p>We monitor S106 opportunities and make bids as appropriate</p> <p>Our Empty Homes Officer will carefully review any potential purchases and only bring forward suitable opportunities</p>
Delays in acquisition	Development always has some delays that come along at some point	NCHA are our Development Agent and they have a lot of experience in s106 and property acquisition. NCHA use external solicitors to progress all legal work and this has worked well on previous acquisitions for the Council
Extended void work time	If the programme relies on more empty home acquisitions, the void works could be significant	NCHA have an internal voids team and also go out to tender where necessary to increase capacity.
Take up by Ukrainian families	It is possible that some Ukrainian families will want to exercise more choice than we are able to offer through the LAHF. Those in rural villages may need to move to our market towns in order to obtain more secure and affordable accommodation	We have reviewed the current location of host families and the needs of Ukrainians on our housing register and who we have accepted a homeless duty to. We are using this information to support the areas we are looking to buy homes. Our Council housing programme is based on Social Rents so they remain truly affordable to local people and Ukrainians alike.
Take up by Afghan families in bridging hotels	Derbyshire Dales is a rural area that will be largely unknown to many refugees.	We will look to secure a property through joint work with the Ashbourne Community Refugee Group to ensure the best possible outcome for the family we anticipate accommodating.

Risk	Impact	Mitigation
Local reaction	Whilst the Derbyshire Dales has welcomed 13 Syrian and UKRS refugees since 2017, this has typically been at a much slower rate than the current demand from Ukrainian refugees. We have not previously been in a position where local people see themselves as being in competition with refugees. As we reshape our investment to support the LAHF there is a risk that some local people will experience a delay in securing a social rented home.	We aim to focus the scheme on existing properties that are currently in the private sector, either as off the shelf purchases or empty homes. We will also emphasise through our usual communication routes that the properties secured through the LAHF will be available to local people for many years after the Ukrainian conflict has ended. Government funding through LAHF also extends our own financial capacity, and while it could be more generous, does lead to a net gain in affordable homes, something we could not achieve at the same rate without the LAHF.
Financial capacity	We acknowledge the grant rates in the prospectus. However house prices in the Derbyshire Dales are some of the highest in the Midlands making the scheme challenging, particularly if the LAHF is extended in 2024/25	We will aim to secure schemes/homes we have already identified as part of our capital programme and target s106 schemes which are already discounted. However this will not help those families in villages where they have already put down roots in the community. DLUHC should consider a rural multiplier or greater flexibility in grant rates (up to 60% grant) if rural councils are to meet the needs of refugees that have settled in protected landscapes such as the Peak District National Park.

9. If this programme continued into future years using the same or a similar approach, (e.g. assuming launch in late 2023 and running for the following 12 months), how many homes could you deliver in this time period? **Up to 20 more homes depending on grant rates**