

	<b>Officer Key Decision</b>
	<b>Report from the Corporate Director of Finance and Resources</b>
<b>Local Authority Housing Fund - Round 4</b>	

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Key Decision
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Part Exempt – Appendix 1: This part of this report is not for publication as it contains the following category of exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)"
<b>List of Appendices:</b>	Appendix 1 - Memorandum of Understanding (exempt)
<b>Background Papers:</b>	None
<b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small>	Denish Patel Head of Property <a href="mailto:Denish.patel@brent.gov.uk">Denish.patel@brent.gov.uk</a>  Jamila Khan Senior Estate Officer <a href="mailto:jamila.khan@brent.gov.uk">jamila.khan@brent.gov.uk</a>

## 1.0 Executive Summary

- 1.1. The purpose of the report is to approve entry into the memorandum of understanding (MOU) between the Ministry of Housing, Communities and Local Government (MHCLG) and the Council; to facilitate implementation of the delivery of up to 80 homes for temporary accommodation and refugee resettlement and relocation schemes through Round 4 of the Local Authority Housing Fund.

## 2.0 Recommendation(s)

- 2.1 To enter into the MOU and associated grant agreement with MHCLG for the period of four years from 2026/27 - 2029/30. The proposed acquisition of up to

80 properties using the allocated Local Authority Housing Fund and prudential borrowing was approved by Cabinet and Full Council as part of the annual budget in February 2026.

### **3.0 Contribution to Borough Plan Priorities & Strategic Context**

3.1 The borough plan theme of 'Prosperity and Stability' sets out the Council's ambition to provide safe, affordable housing for residents and reaffirms the pledge to deliver 5,000 affordable homes, with 1,700 to be delivered by the Council, by 2028. This initiative will contribute towards achieving this.

3.2 Other relevant strategies include:

- Local Plan
- The Poverty Commission
- Housing Allocations Policy
- Homelessness and Rough Sleeper Strategy
- Equality Strategy
- Health and Well-being Strategy
- Inclusive Growth Strategy

### **3.3 Background**

3.3.1 In December 2022 the Department for Levelling Up, Housing and Communities (DLUHC) set aside £500 million - the Local Authority Housing Fund (LAHF) to support local authorities to acquire accommodation for families who arrived in the UK fleeing the war in Ukraine and those on Afghan resettlement and relocation schemes.

3.3.2 Round 2, in June 2023, provided £250 million to address homelessness pressures as well as the other categories (Ukraine and Afghan resettlement).

3.3.3 In March 2024 the programme expanded (Round 3) with a further £450 million.

3.3.4 In June 2024 the Council put a bid to deliver 42 homes consisting of 35 temporary accommodation properties, and 7 properties to be used for the refugees' resettlement scheme.

3.3.5 In November 2025 LAHF round 4 was launched, LAHF 4 is a £950m grant fund.

3.3.6 MHCLG has accepted the Council's plan to provide 80 properties for LAHF 4, of which 61 for Temporary Accommodation and 19 properties to be used for resettlement of Afghan families. Properties will be acquired within the London Borough of Brent and will comprise a mix of 2, 3 & 4 bedroom family accommodation.

3.3.7 Cabinet approved a capital budget in February 2026 of £48.6m consisting of £19.9m LAHF grant and £28.6m of prudential borrowing. The grant level is equivalent to 40% of the median property price in the area, which is higher than other grants available for property used for temporary accommodation.

### 3.3.7 The objectives of the LAHF are to:

- Reduce local housing pressures and use of expensive and unsuitable accommodation, by providing better quality temporary accommodation to those owed homelessness duties by local authorities.
- Reduce temporary accommodation costs.
- Provide sustainable settled housing for some families on the Afghan Resettlement Programme (ARP) so that they can build new lives in the UK, find employment and integrate into communities.
- Support local housing markets by assisting the delivery of new housing stock or new developments to grow overall housing supply

## 4.0 Stakeholder and ward member consultation and engagement

4.1 Full Council approved the capital budget for the programme as part of budget setting.

## 5.0 Financial Considerations

5.1 The proposed grant is £19.9m for the purchase of 80 properties over the next 4 years. 61 properties will be used for Temporary Accommodation and 19 will be used for Afghan Resettlement.

5.2 Cabinet approved a capital budget in February 2026 of £48.6m consisting of £19.9m LAHF grant and £28.6m of prudential borrowing. The grant level is equivalent to 40% of the median property price in the area. In addition, the grant includes £139k revenue funding to support delivery.

5.3 The grant is £222k per property with a 10% uplift for large resettlement properties (9 in Brent's allocation). In addition, it includes £21k to cover refurbishment and other capital costs.

5.4 Officers have reviewed the terms of the grant and consider that Brent will meet the terms of the grant. The reporting requirements are not onerous. There are issues to work through regarding the Afghan Resettlement properties (such as whether they can be held in the General Fund). Officers will work with MHCLG and seek additional legal advice if required.

5.5 The grant enables the project to be financially viable with a positive net present value after 40 years assuming the average price caps are followed. It is vital that repair works take place as soon as possible and the properties are let as soon as they are ready to ensure rents are generated as soon as possible. This appraisal assumes that we will be able to charge Local Housing Allowance for rents but further legal advice is required on the Afghan Resettlement Properties. Finance will work to mitigate any impacts of this to ensure the project remains viable.

- 5.6 The appraisal does not take into account the substantial cost avoidance from temporary accommodation nor the Afghan Resettlement revenue grant that is unlocked as a result. This means it does not capture the full financial benefits.
- 5.7 The Corporate Director of Finance and Resources has approved entry into the grant agreement and the MOU in accordance with Financial Regulation 9.1.1.

## **6.0 Legal Considerations**

- 6.1 The Council has power to apply for grant funding and enter into the Grant Agreements pursuant to section 111 of the Local Government Act 1972 and the power of general competence set out in section 1 of the Localism Act 2011.
- 6.2 The Corporate Director of Finance and Resources has delegated authority pursuant to paragraph 9.5 of Part 3 of the Constitution and Financial Regulation 8.2.2 of Part 2 of the Constitution to enter into grant funding arrangements. In doing so, the Corporate Director must ensure that the objectives of the grant agreement are consistent with the Council objectives and priorities in accordance with Financial Regulation 9.1.2. As such, the Corporate Director, Finance and Resources has approved entry into the grant agreement in accordance with Financial Regulation 9.1.1.
- 6.3 In addition to entry into the MOU, Officers recommend entry into a related grant agreement (Appendix 1) with the MHCLG for the acquisition of eighty properties. Under the Council's Constitution, the Corporate Director of Finance and Resources has delegated powers pursuant to paragraphs 9.5 of Part 3 of the Constitution to enter into agreements subject to certain restrictions. Legal Services have reviewed the Memorandum of Understanding and can confirm that none of the exemptions, restrictions or limitations to the power to enter into agreements as set out in Section 3(a) of the table at paragraph 9.5 of Part 3 of the Constitution, preclude the Corporate Director of Finance and Resources approving entry into the Memorandum of Understanding.

## **7.0 Equity, Diversity & Inclusion (EDI) Considerations**

- 7.1 The Public Sector Equality Duty, as set out in section 149 of the Equality Act 2010, requires the Council, when exercising its functions, to have "due regard" to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, to advance equality of opportunity and foster good relations between those who have a "protected characteristic" and those who do not share that protected characteristic. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation. The council also internally recognises care experience and socio-economic status as protected characteristics.

7.2 Having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.

7.3 The proposal to provide 80 properties for LAHF 4, of which 61 are for Temporary Accommodation, and 19 to be used for resettlement of Afghan families is expected to have an overall positive equality impact by:

- Increasing the supply of stable, good-quality accommodation, reducing reliance on unsuitable or emergency placements.
- Improving accommodation standards, including space, safety, accessibility and energy efficiency.
- Reducing the frequency of moves, which disproportionately affect families with children and those with disabilities or health needs.
- Supporting greater consistency in service delivery and housing outcomes.

## **8.0 Climate Change and Environmental Considerations**

8.1 None There are no significant climate change or environmental considerations arising from this report.

## **9.0 Human Resources/Property Considerations (if appropriate)**

9.1 The proposal will increase the Council's residential property holdings through the acquisition of units for use as temporary and/or settled accommodation for households experiencing homelessness. This will place additional responsibilities on the Council as a landlord, including compliance with statutory safety and housing standards, ongoing maintenance, and tenancy management. Properties will need to be suitable for residential use and may require initial and ongoing capital investment to meet required standards. The acquisitions should align with the Council's wider asset management strategy to ensure appropriate location, property type, and distribution across the borough. The use of grant funding may place restrictions on the future use or disposal of the assets. The Council will need to ensure sufficient internal capacity or appropriate management arrangements are in place to manage the properties effectively.

9.2 There are no Human Resources considerations arising from this report.

## **10.0 Communication Considerations**

10.1 There are no communication considerations arising from this report.

**Report sign off:**

***Minesh Patel***

Corporate Director of Finance and Resources