

From: [Ryan Ward](#)
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Subject: FW: Local Authority Housing Fund January 2024 potential reallocations
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OFFICIAL

From: LAHF <LAHF@levellingup.gov.uk>
Sent: 05 January 2024 14:05
To: Andrew Healey <Andrew.Healey@birmingham.gov.uk>; Susan Shah <Susan.Shah@birmingham.gov.uk>
Subject: Local Authority Housing Fund January 2024 potential reallocations

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Dear Andrew and Susan

Introduction

The Department for Levelling Up, Housing, and Communities (DLUHC) launched the Local Authority Housing Fund (LAHF) in December 2022, and a second round of funding was announced in March 2023. The two rounds providing over £750m to meet the housing requirements of Ukrainian and Afghan families fleeing conflict, and to assist local authorities in meeting the needs of people facing homelessness in their area.

Take up across both rounds has been strong and we would like to thank all participating LAs for their continued commitment to delivering homes under the fund.

To assess the practicalities of making any potential underspend available, we are inviting local authorities to express their interest in increasing their LAHF delivery (or submitting proposals for the first time where the LA does not already have a LAHF agreement) across either LAHF 1 or 2 or a combination of both if funding becomes available, it must be committed before 31 March 2024. This invitation to submit an EOI does not constitute an offer of funding.

Proposals will need to be in line with LAHF objectives:

LAHF1:

The objectives of the fund 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 fund's 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 impacts on the existing housing and homelessness systems and those waiting for social housing.

Those eligible for the housing are those who are homeless, at risk of homelessness or who live in unsuitable Temporary Accommodation (including bridging accommodation) and who also meet the below definition. Those on the:

- Afghan Citizen Resettlement Scheme (including eligible British Nationals under this scheme) (ACRS),
- Afghan Relocations and Assistance Policy (ARAP)
- Ukraine Family Scheme (UFS),
- Homes for Ukraine (HFU),
- Ukraine Extension Scheme (UES)

LAHF R2:

The objectives are to:

- Provide sustainable housing to those on Afghan resettlement schemes at risk of homelessness so that they can build new lives in the UK, find employment and integrate into communities.
- Reduce local housing pressures beyond those on Afghan resettlement

schemes by providing better quality temporary accommodation to those owed homelessness duties by local authorities.

- Reduce emergency, temporary and bridging accommodation costs.
- Reduce impact on the existing housing and homelessness systems and those waiting for social housing.

Those eligible for the accommodation provided by the **TA element** of the fund are those owed a homelessness duty by the local authority. Given the purpose of this funding, we expect that families will be the primary recipients.

For completeness, prospectuses for both schemes are available at <https://www.gov.uk/government/collections/local-authority-housing-fund> and are the primary guides to both rounds.

Our latest Q&A and fund guidance can be found [here](#)

In the event that funding is made available, you are able to seek funding under both R1 and R2 eligibility criteria to meet the particular needs in your area. We will prioritise proposals which offer to deliver at least one home for an Afghan family, this could be a larger home under R1 grant rates for Afghan homes (referred to as “bridging”) , or a standard home under R2 grant rates for resettlement homes.

If you are submitting an EOI please do so no later than 5pm on Friday 19 January 2024. We will review EOI proposals to confirm funding allocations within two weeks of EOIs being received.

Timescales

As the LAHF R1 and LAHF R2 programmes end in March 2024, if you intend to seek underspend funding, in the event it is available, you must be confident that you have the internal capacity and favourable local market conditions to work successfully to this deadline.

Any available underspend funding cannot be carried forward beyond March 2024.

Allocations and Grant Rates

As with other R1 and R2, we expect you to part fund or finance some of the required capital.

To reflect local housing markets, we will be continuing to use specific grant rates:

- For the ‘main element’ housing as defined in R1 (i.e. typically 2 to 4 bedrooms) the amount of grant per property is calculated as 40% of the average lower quartile property price, £66,000 in **Birmingham**. A further £20k per property will be added to account for other costs including refurbishment;

- For the 'bridging element' housing as defined in R1 (i.e. 4+ bedroom houses), the amount of grant per property is calculated as 50% of the estimated lower quartile property price, £135,939 in **Birmingham**. A further £20k per property will be added to account for other costs including refurbishment.
- For eligible resettlement housing and temporary accommodation (TA) units as defined in R2, the grant rate per property for **Birmingham** is £86,000 (based on median property prices in your area) plus £20,000 per property.

Allocation of Funds

We can offer no assurances at this point that funding will be available, however, if available, funding will be allocated on the basis of an authority providing assurances that it has the capacity and financial resources available to deliver the further homes they are seeking funding for under the Expression of Interest process.

For the purpose of the EOI exercise, there will be no minimum or maximum requirement in the number of additional units that authorities can seek to fund. Given the March 2024 deadline for delivery, EOIs are expected to be realistic and proportionate.

Memorandums of Understanding (MOU)

In the event there is funding to be allocated we will notify LAs of the outcomes of the EOI process. We will send each participating authority revised a MOU for signature and return where one is in currently in place. This will be an addendum to the existing agreement setting out their final award of the available underspend funding.

For those authorities seeking LAHF fund for the first time. a first MOU will issued. For these authorities, a blank copy of the MOU is included [here](#), which has the standard terms that will be agreed with every authority. The text is non-negotiable. When you receive your MOU please sign and return it as soon as you able to do so.

The MOU includes standard wording for all authorities receiving reallocated funding and is non-negotiable. Given the urgency of delivery, we expect all boroughs to show flexibility in how they apply their approvals processes to secure reallocated funds and expedite the release of their funding.

Payment of R1/R2 Reallocated Funding – subject to funding availability

Any grants allocated will be non-ringfenced and must be paid before 31 March 2024 as this funding is only available in the current financial year.

For existing R1 and R2 participating authorities, providing Year 2 (second tranche) funding has been drawn down, the balance of any underspend funding awarded would be paid once the addendum to the MOU has been signed.

For authorities receiving LAHF funding for the first time a payment would be made before the end of March 2024.

If you have any questions, please contact the team on LAHF@levellingup.gov.uk

If you would like to be considered for further LAHF funding, please complete the EOI form [here](#).

Thank you for your continued support for those fleeing conflict and helping to re-establish their lives in the UK.

We look forward receiving your completed EOI.

Yours sincerely,

Local Authority Housing Fund Team
Department for Levelling Up, Housing and Communities

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