

Local Authority Housing Fund

Recommendation and report to follow

6) Cabinet – 22 March 2023

Water Testing

Recommendation and report to follow

NON EXEMPT

HAVANT BOROUGH COUNCIL

CABINET

Property Asset Management System

FOR DECISION

Portfolio Holder: Councillor Tim Pike

Key Decision: No

Report number: HBC/130/2023

1.0 Purpose of Report

- 1.1 To request utilisation of corporate reserves required to acquire a new property asset management system

2.0 Recommendation

- 2.1 That Cabinet recommends to Full Council that:
 - 2.1.2 That approval is given to a acquire a new property asset management system and that authority be given to utilise up to £140,000 of Corporate Reserves to fund the procurement, contracting and deployment of it and that this is added to the Council Capital Programme.
 - 2.1.1 That the Executive Head of Commercial Services in consultation with the Section 151 officer and monitoring officer be given delegated authority to procure and enter negotiations contract terms with a preferred supplier.

3.0 Executive Summary

- 3.1 In March 2019 a project to undertake a structural review of Property East Hants District Council (EHDC) and Estates at Havant Borough Council (HBC) was initiated. The project purpose was to create one Property and Estates team across both councils through review and re-organisation of functions and job roles. This project was introduced in response to the outcomes of a Peer-to-Peer Review undertaken by The Chartered Institute of Public Finance and Accountancy (CIPFA) in January 2019 and the findings are in 3.3 below.
- 3.2 In January 2021 a decision was made for EHDC to separate from HBC which impacted on the project going forward as a joint venture as a shared service. This Business Case specifically focuses on the procurement of a Property (Asset) Management System for HBC and a as part of the

migration, some additional resource to digitalise property documents, which are currently stored in paper form.

3.3 The outcome of the CIPFA Audit in 2019 confirmed that the current arrangements do not effectively support the ambitions of either council or the core business functions of the service. Specifically, there were several areas of concern identified and in summary these are:

- Lack of evidence of statutory compliance
- Lack of evidence of Health & Safety compliance
- Property data is paper based, disparate, and incomplete
- Performance data is disparate and incomplete
- Strategy and Policy documents are disparate and incomplete

The CIPFA Audit noted that given the lack of a robust system, there are varying degrees of confidence regarding the comprehensiveness and reliability of information and the difficulty of using excel spreadsheets to undertake searches, etc.

Examples of statutory compliance:

- Regulations
 - Maintaining electrical systems / installations
 - Asbestos register
 - Gas regulations (gas inspections of systems / appliances)
 - F Gas (refrigeration)
 - Display energy certificates (EPCs)
 - Control of legionella bacteria

NB: The above is not exhaustive

3.4 In response and as a priority, Officers at HBC have been taking action to address the compliance related issues and create an action plan to close any gaps identified.

3.5 Property (Asset) data of which there are over 900 are currently held in an excel spreadsheet and on the J drive.

4.0 The purpose

4.1 HBC are intending to procure a Property Asset Management system to help maintain their property portfolio and replace their existing arrangements which are based on spreadsheets and paper.

4.2 The purpose of the project is to:

- Provide a secure and reliable way for staff to view and maintain information about Property assets
- Improve the management of assets, ensuring that financial reviews are undertaken in a timely manner

- Reduce the reliance on manual processes such as creating invoices and recording site inspections
- Use reports and analysis to monitor the portfolio progress and changes over time
- Improve staff efficiency by reducing manual processes, searching for information and having a single record of the truth about each asset.

4.3 The system will be web based allowing staff to access it from multiple locations including remotely for example on a site inspection. This will provide significant benefits to the team, allowing them to follow a fully digital approach removing the reliance on paper.

4.4 The key functions of the system will be:

- Estate management
- Building condition survey
- Maintenance and Compliance
- Insurance valuations
- Invoicing and payments
- Credit control
- Fund management
- Asset Valuations.
- Leases & Licence events
- Finance / Property reports
- Helpdesk

The system is likely to be extendible using different modules, this functionality could include a portal for contractors to access and a mobile app for site inspections.

The system will be capable of being integrated with the Finance system to allow the creation of invoices and other functionality. This will reduce the need for manual processes to interact with the finance system.

It will also allow assets such as beach huts, parking permits, etc to be entered into the system for oversight and reporting purposes

4.5 The implementation of the new Property Asset Management system will allow for more staff flexibility, better reporting, a more efficient service and reduced overall risk to the council of managing a property portfolio.

5.0 The Solution

5.1 A SaaS solution is the preferred option as they markedly reduce the maintenance required by Council staff and ensure that staff have access to the latest features and functionality. SaaS products also help reduce the service deliverability risk in Business Continuity Planning (BCP) for wider infrastructure disruption scenarios.

The preferred solution for a new HBC Property Asset Management system would be based on Software as a Service (SaaS). This technology pushes the responsibility for maintain the system onto the supplier rather than the Council or a third party. The supplier would be responsible for;

- availability of the system
- upgrades
- security
- patches
- backups
- physical infrastructure to the support the system

5,2 The Council would be responsible for;

- provisioning users
- training
- some configurations
- use of the system

5.3 It is intended that the new system will be accessed via a browser therefore reducing the need to install tools on client devices. The system should also support remote working allowing it to be accessed from home and during site visits.

5.4 One of the key advantages of SaaS based systems is that they are constantly updated with new features being deployed. This means that users have access to the latest functionality and are not left using legacy systems.

The Council will have a responsibility to ensure that staff are trained on the system and new functionality as and when it is deployed.

Potential suppliers will, of course, need to support the Council's Data Privacy and Security requirements.

5.5 The system will be capable of integration with the Council's Mapping/GIS systems and the Finance system. The Finance system is use is currently Integra, however, the existing HBC version is going out of support in 2025. The Property Asset Management system will therefore require generic integration capabilities to futureproof against a different Finance system. Finance integration will allow staff to raise invoices and Credit notes automatically without the need to double-type information.

5.6 Several suppliers have been identified, via G-Cloud, as having suitable products available.

5.7 The provision of a new SaaS based Property Asset Management system will replace the current spreadsheet and paper-based processes and therefore:

- allow a single version of the truth with respect to Property assets;

- allow information to be accessible to staff and contractors from multiple locations, 24 hours a day;
- provide security and audit records to control and record access to information; and;
- allow the Council to meet its Data Privacy (GDPR) and security requirements.

6.0 Financial and non-financial benefits

6.1 Key Financial Benefits

- Allows reporting and more detailed analysis across the entire portfolio.

6.2 Key Performance Benefits

- Provides a single version of the truth with respect to asset information. This will mean that all members of the team will be viewing and working with the same information reducing the time lost searching for data and issues of using inaccurate or out of date information.
- Documents and photos can be uploaded and associated directly with the asset they apply to. When an asset is removed the associated photos and documents can automatically be removed as well so that users are not searching through old items.
- Users will be able to access the system from multiple locations including from home and on-site visits. This will allow them to update and upload information directly without the time and errors associated with managing paper-based records.
- Having a single system will mean that all users are looking at the most up to date information with details of when it was updated and by who.

7.0 The project

7.1 Documentation

- Business Case produced – Appendix A
- Detailed specification produced and signed off by property and I.T in HBC Commercial Services
- Process maps produced and signed off as above

7.2 The programme plan

- Within the Commercial Services department there is the knowledge and experience, both from an IT perspective and a property asset management perspective to procure, contract and deploy this project.
- The high-level programme timeline is in section 8 below and it is felt to be achievable

- A detailed project plan is being worked up

7.3 Project Key milestones

- Cabinet signoff – 22 March 2023
- Council signoff – 22 March 2023
- Procurement and contracting completed by mid-June 2023
- Mobilisation – End of June 23 (1 week)
- Deployment – July to February 2024
 - GIS integration
 - Data validation and cleansing
 - Automated migration
 - Initial manual migration (key assets only)
- Go live – February 2024
- Phase 2: Finance integration: tbc ~ 3months duration

8.0 Budgetary Implications

8.1 The total revenue reserves funding required amounts to £140,000, which also includes a 20% contingency

8.2 £45,000 per annum for SaaS software licences to be met from existing cash limited resources in the Commercial Services department. Contract with preferred supplier will be 3 years plus a possible extension of 1 year and a further 1 year. The exact amount won't be known until a preferred supplier has been selected

8.3 Further detail in the business case in Appendix A

9.0 Financial implications

Section 151 Officer Comments

The recommendations in this report ask for the Council to approve the use of Corporate Reserves to procure a new property asset management system. This is a one-off capital expenditure, and I am content that this will not have a detrimental effect on the Council's Medium Term Resource Strategy and that reserves are sufficiently robust to allow this investment.

There is an ongoing cost to licence this product that is estimated to be in the region of £45,000 and this will be met from existing cash limited resources. The exact amount won't be known until a preferred supplier has been selected.

10.0 Legal implications

Monitoring Officer comments

Date: 17th March 2023

The financial aspect to this acquisition involves utilisation of reserves. Constitutionally this is something Cabinet would decide in terms of in year use of reserves, as per Standing Order 64.

Specifically, Standing Order 64.3.1 provides that Cabinet may increase in-year use of reserves (in addition to the use of reserves planned in the budget calculations) provided that such use of reserves do not exceed £1,000,000 in aggregate in a financial year and provided that the Chief Finance Officer has certified in writing that such use of reserves would not cause the Council's overall reserves to fall below a prudent level.

Any use of reserves shall be reported to the next meeting of Full Council. This paper should come before council in any event as the decision to incur this expenditure is outside of the budgetary framework.

11.0 Risks

- Replacement for Integra by March 2025
- Resource – resource needs to be identified to mobilise / deploy. There will be a requirement for the current team, particularly in the Commercial Services team to undertake UAT, training and procurement evaluations.
- Timetable - Budget and resources need to be properly managed
- Reliance 3rd party suppliers - for integrations (capita, other)

12.0 Climate and Environment implications

12.1 None identified at this stage.

12.2 All the projects aim to lead the market in including environmental measures

13.0 Appendices

13.1 Appendix A – Business Case

14.0 Background papers

14.1 None

Agreed and signed off by:

Cabinet Lead: Councillor Tim Pike
Exec Head of Service: Claire Hughes
Monitoring Officer: Mark Watkins
Section 151 Officer: Wayne Layton

Contact Officer: Alan Downton
Job Title: Regeneration and Economic Development
Telephone: 07849 718682
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Appendix A

**FULL BUSINESS CASE
PROPERTY ASSET MANAGEMENT SYSTEM**

| | |
|--------------------|--|
| Project Sponsor: | Chris Bradley |
| Approval Date: | Cabinet - 22 March 2023 Council – 22 March 2023 |
| Project Manager: | Nikki Reay |
| Issue Number/Date: | 0021 - 17 March 23 |
| Status: | Final |
| | |

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In March 2019 a project to undertake a structural review of Property East Hants District Council (EHDC) and Estates at Havant Borough Council (HBC) was initiated. The project purpose was to create one Property and Estates team across both councils through review and re-organisation of functions and job roles. This project was introduced in response to the outcomes of a Peer Review undertaken by The Chartered Institute of Public Finance and Accountancy (CIPFA) in January 2019 and the findings are in 1.1 below.

In January 2021 a decision was made for EHDC to separate from HBC which impacted on the project going forward as a joint venture as a shared service. This Business Case specifically focuses on the procurement of a Property (Asset) Management System for HBC and as part of the migration, some additional resource to digitalise property documents, which are currently stored in paper form.

1.1 Situation

The outcome of the CIPFA Audit in 2019 confirmed that the current arrangements do not effectively support the ambitions of either council or the core business functions of the service. Specifically, there were several areas of concern identified and in summary these are:

- Lack of evidence of statutory compliance
- Lack of evidence of Health & Safety compliance
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In response and as a priority, Officers at HBC have been taking action to address the compliance related issues and create an action plan to close any gaps identified.

Property (Asset) data of which there are over 900 are currently held in an excel spreadsheet. The CIPFA Audit noted that given the lack of a robust system, there are varying degrees of confidence regarding the comprehensiveness and reliability of information and the difficulty of using excel spreadsheets to undertake searches, etc.

1.2 The Challenge

To have property asset management system which will house all replace the excel spreadsheets by developing a specification in order to procure an IT asset property management system that will be both cost and operationally effective and efficient.

2 DECISION REQUIRED

2.1 Decision Required

This project has been in discussion for over 5 years and for expediency this is a Full Business Case and the decisions required are:

- That approval is given to use up to £140,000 of Corporate Reserves to fund the procurement and contracting of a new property asset management system and that this is added to the Council Capital Programme. Section 5 has the financial costs associated with this project.

- Authority to proceed to procurement
- Authority to contract with preferred supplier
- Then proceed to mobilisation and fully deploy the preferred IT solution

2.2 Nature of Business Case

This Full Business Case is qualitative, as on separation from East Hants DC the approach has been by the Exec Head of Commercial to develop an organisational structure which 'baked in' the principle of the development, procurement contracting and deployment of a SaaS IT asset (property) management system, Therefore, there are no hard or measurable benefits, although the benefits are set out in section 4.

2.3 Link to Corporate Strategy

People First – Growth Internal – Building our Future. HBC's aspiration is to 'strive to improve our services and modernise'

2.4 Objectives

- Centralise property records
- Availability of information both internally and externally to HBC
- Modernise and digitalise records

3 PROPOSED SOLUTION

3.1 The Purpose

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It will also allow assets such as beach huts, parking permits, etc to be entered into the system for management and reporting purposes

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A SaaS solution is the preferred option as they markedly reduce the maintenance required by Council staff and ensure that staff have access to the latest features and functionality. SaaS products also help reduce the service deliverability risk in Business Continuity Planning (BCP) for wider infrastructure disruption scenarios.

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- backups
- the physical infrastructure to the support the system.

The Council would be responsible for;

- provisioning users
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- some configurations
- use of the system

It is intended that the new system will be accessed via a browser therefore reducing the need to install tools on client devices. The system should also support remote working allowing it to be accessed from home and during site visits.

One of the key advantages of SaaS based systems is that they are constantly updated with new features being deployed. This means that users have access to the latest functionality and are not left using legacy systems.

The Council will have a responsibility to ensure that staff are trained on the system and new functionality as and when it is deployed.

Potential suppliers will, of course, need to support the Council's Data Privacy and Security requirements.

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Several suppliers have been identified, via G-Cloud, as having suitable products available.

The provision of a new SaaS based Property Asset Management system will replace the current spreadsheet and paper-based processes and therefore:

- allow a single version of the truth with respect to Property assets;
- allow information to be accessible to staff and contractors from multiple locations, 24 hours a day;
- provide security and audit records to control and record access to information; and;
- allow the Council to meet its Data Privacy (GDPR) and security requirements.

The current process involves paper, spreadsheets and documents stored on shared drives. Much of this information will need to be checked before it is loaded onto the new system and probably won't be suitable for an automated migration. However, migration capabilities will be included in the specification and where possible they will be used.

4 BENEFITS

4.1 Summary of key benefits

- Assets visibility & control
- Improved asset utilisation
- Reduced costs of software and hardware
- Most efficient use of resource
- Alignment of asset costs to services
- The data source for accurate decisions
- Improved/streamlined process resulting in efficiency savings.
- Improved reporting ability
- Improves maintenance monitoring
- Photos and documents can be loaded remotely using iPads E.G 150 inspection photos can be loaded directly to the system, as opposed to being emailed in, detached and stored on the J drive. Similarly, 30 to 40 invoices a month which go to Darlington.
- Significantly reduces the need to
- Will allow visibility to whoever we give authority to e.g Cabinet members

4.2 Key Financial Benefits

- Allows reporting and more detailed analysis across the entire portfolio.

4.3 Key Performance Benefits

- Provides a single version of the truth with respect to asset information. This will mean that all members of the team will be viewing and working with the same information

reducing the time lost searching for data and issues of using inaccurate or out of date information.

- Documents and photos can be uploaded and associated directly with the asset they apply to. When an asset is removed the associated photos and documents can automatically be removed as well so that users are not searching through old items.
- Users will be able to access the system from multiple locations including from home and on-site visits. This will allow them to update and upload information directly without the time and errors associated with managing paper-based records.
- Having a single system will mean that all users are looking at the most up to date information with details of when it was updated and by who.

4.4 Key Social and Place Benefits

- Keep HBC assets maintained and safe for the public.
- Facilitate increased sharing of information (with local organisations / stakeholders) which will help ensure that HBC assets are better utilised and more available to local communities.

4.5 Key Risk Benefits

- Audit and Regulatory requirement compliance. Reduces overall risk to the Councils by providing compliance with audit and CIFPA recommendations.
- Allows information to be backed up and subject to retention policies thereby reducing the risk of data being lost or accidentally destroyed.
- System security will control access to information reducing the risk of unauthorised access. Audit controls and reporting will allow administrators to view the history of updates in the syst

5 FINANCIAL SUMMARY

There are a number of opportunities, which aren't identified in the costing to increase income which will offset additional pressures on the budget(s). For example:

- Renegotiating existing leases to achieve more favourable terms
- Fee charging opportunities (wayleaves / easements)
- Exploiting advertising opportunities
- Service charges / insurances recovery from tenants
- Proactive strategic asset management of the portfolios

The project will require a £140,000 released from Corporate Reserves for:

- c. £45,000 for configuration, training and deployment
- c. £36,000 for manual and automated migration
- c. £35,000 for integration – GIS, financial system and Capita
- c.£24,000 for contingency @ 20%

There is an ongoing annual overhead of £45,000 for a licence fee that's linked to CPI. The assumption is that as the cost is such a small % compared to the income that's generated that through this work a very small efficiency in rent reviews and breaks will meet this ongoing cost.

6 COMMERCIAL CASE

As per the contract standing orders, the threshold for this project will fall within the 3-quote process. A Request for Quotation will be issued to 4 suppliers that have been pre-selected

by the project team. The evaluation will be two-stage process, the desktop evaluation and presentation stage. The team will revisit their comments from the desktop evaluation in the second stage when suppliers present their service offerings. The evaluation criteria will be 70 quality/30 price split.

| Event | Duration |
|--------------------------------------|-----------------|
| RFQ process | 3 weeks |
| Evaluation (1st Stage and 2nd Stage) | 2 weeks |
| Award | 2 days |
| Contract | 1-2 weeks |

7 MANAGEMENT CASE

7.1 Programme Plan

Within the Commercial Services department there is the knowledge and experience, both from an IT perspective and a property asset management perspective to procure, contract and deploy this project.

The high-level programme timeline is in section 8 below and it is felt to be achievable. A detailed project plan is being worked up

8 TIMELINE

- Cabinet signoff – 22 March 2023
- Full Council – 22 March 2023
- Procurement and contracting completed by mid-June 2023
- Mobilisation – End of June 23 (1 week)
- Deployment – July to February 2024
 - GIS integration
 - Data validation and cleansing
 - Automated migration
 - Initial manual migration (key assets only)
- Go live – February 2024
- Phase 2: Finance integration: tbc ~ 3months duration

9 KEY RISKS / ISSUES

- Replacement for Integra by March 2025
- Resource – resource needs to be identified to mobilise / deploy. There will be a requirement for the current team, particularly in the Commercial Services team to undertake UAT, training and procurement evaluations.
- Timetable - Budget and resources need to be properly managed
- Reliance 3rd party suppliers - for integrations (capita, other)

9.1 Integrated Impact Assessment

This is in production and will be finalised and signed off before procurement commences

9.2 Privacy Impact Assessment

This is in production and will be finalised and signed off before procurement commences

HAVANT BOROUGH COUNCIL

CABINET

22 March 2023

Local Authority Housing Fund (LAHF)

FOR DECISION

Portfolio Holder: Councillor Tim Pike

Key Decision: No

Report number:

1.0 Purpose of Report

- To appraise Cabinet and Council of the Local Authority Housing Fund (LAHF) launched by the Department for Levelling Up, Housing, and Communities (DHLUC).
- To agree that the Council support the aims of the Local Authority Housing Fund.

2.0 Recommendation

That Cabinet recommends that Full Council:

- 2.1 Notes that HBC have accepted the Local Authority Housing Fund (LAHF) grant funding of £705,888 and that this is already in the Council's approved capital programme.
- 2.2 That the Chief Executive in consultation with the Section 151 officer and monitoring officer to be delegated authority to:
- A) Negotiate the terms for the acquisition of the real estate assets required following receipt of the LAHF grant; and
 - B) Subject to a financial appraisal being approved by the S151 Officer, agree the terms and conditions upon which borrowing may be secured from PWLB in order to part fund the acquisition of the property concerned
- 2.3 Approves a delegation to the S151 Officer to amend the Council's Capital programme to reflect this additional borrowing once known.

2.0 Executive Summary

- On 21 December 2022 the Department for Levelling Up, Housing, and Communities (DHLUC) announced a new £500m Local Authority Housing Fund
- HBC has provisionally been identified as eligible for capital grant funding of £705,888 (under section 31 of the Local Government Act 2003) to provide a minimum of 5 houses for families from Afghanistan and Ukraine *who have a right to remain in the UK. These houses must be delivered by 30 November 2023.*

3.0 The purpose of the grant funding:

- 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
- Notes that before any borrowing is entered into a separate report will be brought back to Cabinet to approve this borrowing and

demonstrating that the borrowing is in line with the principle of the prudential code.

- Fund prospectus – more detail:
<https://delta.communities.gov.uk/document-repository/public/download?uri=/document-repository/Local-Authority-Housing-Fund-Prospectus-Final.pdf>

4.0 Detail of grant allocation

- Main element:
 - £460000 in funding – expectation is a minimum of 4 homes (2 to 4 bedroom) @ 40% intervention
- Bridging element (currently paid for by Home Office):
 - £245888 in additional funding - expectation a minimum of 1 larger 4+ bed home(s) to be allocated to households currently residing in bridging accommodation @ 50% intervention.
- In the grant figures above is £20,000 per property for refurbishment / other costs, which could include estate agents' costs, stamp duty, etc

5.0 Background & relationship with Corporate Strategy

- Wellbeing: The Health of our Communities. We will enable and deliver interventions to prevent homelessness and rough sleeping
- Pride in Place: creating a great place to live, work and enjoy. We will facilitate the delivery of and improve the quality of affordable housing
- Growth External: Building our Future. We will produce a Local Plan which will deliver sustainable development for our residents and businesses.

6.0 The Solution(s)

1. Option 1. Do nothing
2. Option 2. Build residential
3. Option 3. Fund New development via a partner
4. Option 4. Convert a commercial unit
5. Option 5. Buy property through a partner (Local Authority or Registered Provider e.g Vivid or Guinness)
6. Option 6. Buy property in the principle
 - Options 1, 2, 3 and 4 have initially been discounted from this project, as the timescales set by DHLUC are extremely onerous.
 - Options 5 and 6 are potentially HBC's preferred options and both need to be worked up in more detail with financial

N.B: Option 5 and 6 will be worked up in a full financial appraisal

7.0 Project Key milestones

- 21 December 22 - DHLUC launched new £500m Local Authority Housing Fund
- 17 January 23 - HBC submitted a 'Validation Form' (Expression of Interest) – noncommittal
- 13 February 23 - DHLUC accepted HBC's interest
- 22 February 23 – HBC Management Meeting & Cabinet Briefing
- 15 March 23 – HBC signed and submitted an MOU to DHLUC (no later than)
- 22 March 23 – Cabinet
- 22 March 23 – Full Council
- 31 March 23 – HBC to receive 30% of overall grant funding
- 1 April 23 onwards – HBC receives final 70% of grant funding on achievement of 60% of spend (probably June / July 2023)
- May / June – Officers return to Cabinet and Council with full financial appraisal
- 30 November 23 - Programme complete (or best endeavours)

8.0 DHLUC – Monitoring Milestones

As set out in the Memorandum of Understanding signed and returned to DHLUC on 15 March 2023

| Date | Milestone |
|------------------|--|
| March 2023 | Payment of the Year 1 allocation |
| April 2023 | MI touchpoint |
| June 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. |
|--|--------------------------------------|

9.0 Financials

The table below sets out the amount of funding to be received in respect of the LAHF grant over the two years.

Table 1 – LAHF Grant Payment Profile

| | 2022/23 Allocation | 2023/24 Allocation | Total Funding |
|---|-------------------------------|-------------------------------|--------------------------|
| 4 Properties for households that meet the eligibility criteria for this Programme | £ 138,000 | £ 322,000 | £ 460,000 |
| 1 4+ bed properties for households currently in bridging accommodation | £ 73,766 | £ 172,122 | £ 245,888 |
| Total Funding | £ 211,766 | £ 494,122 | £ 705,888 |

- 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.

Budgetary Implications

If the Council proceeds with purchasing property in the principle, then it will have the burden to maintain and operate that property, this will be funded through the rent earned on those properties. There will also be a requirement to set up a sinking fund to properly maintain these properties. Finally, because the Council may have to borrow then the cost of this borrowing will also need to be met from this rental income.

As part of the next steps the Council need to procure a third party to manage these properties, the Council currently own 6 residential properties and they are managed by Vivid Housing.

There is no Cash limited budget currently within the Council's approved budget to support this and it's a vital principle that any property purchased can support itself through rental income before any acquisition is made a full financial appraisal approved by the S151 will be carried out that demonstrates this.

The rent proposed will be an Affordable rent, capped at the Local Housing Allowance (LHA) rate to ensure that whoever rents that property if they are in receipt of Housing Benefit or Universal Credit that they are able to afford to live there.

If following negotiations, it appears that the Council cannot find a financially viable option to fund this project in the principle then it may look to offer a grant to a third party who may be better placed to own and manage these properties and in return the Council will receive nomination rights.

Section 151 Officer comments

Changes to the Council's capital programme are usually approved by Full Council, this report asks for a delegation to negotiate the acquisition of the property the exact amount is not known, hence why the recommendations seek as series of delegation to Chief Officers and the Leader of the Council to negotiate on the Council's behalf.

The Council can only borrow in line with its own Approved Treasury Management Strategy that was approved by Full Council in February 2023. Any borrowing taken must also meet the conditions of the Prudential Code and must be Affordable, Sustainable and Prudent. Therefore, a full financial appraisal must be approved by the Section 151 Officer before any borrowing is entered into.

10.0 Legal implications

There are no significant legal and governance implications arising from this report outside of those aspects already referenced in the body of the earlier report

Monitoring Officer comments

Finance Procedure Rule No G.15 of the Constitution requires that The Budget contain, in effect, decisions relating to the control of the Council's borrowing

The decision on the aspect of the Report concerning PWLB is before Council as Finance Procedure Rule No G.16 provides that Full Council is also responsible for approving procedures for agreeing variations to the approved Budget and Policy Framework, which is what this decision constitutes.

17.3.23

11.0 Risks

11.1 None identified at this stage

12.0 Climate and Environment implications

12.1 None identified at this stage.

12.2 All the projects aim to lead the market in including environmental measures

13.0 **Appendices**

13.1 None

14.0 **Background papers**

14.1 None

Agreed and signed off by:

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Exec Head of Service: Claire Hughes
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