

LAHF3 - REVIEW

Head of Service:	Rod Brown, Head of Housing & Community
Report Author	Arjan de Jong
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Appendices (attached):	Appendix 1 - LAHF3 Strategy & Resources Report November 2024

Summary

This report seeks approval to utilise £50,000 of the funding allocated to the LAHF3 programme, in order to facilitate the renovation of a Town & Country Housing (TCH) property in Epsom and thereby ensure the property can continue to be utilised for settled accommodation by applicants nominated from the Council's housing register.

Recommendation (s)

The Committee is asked to:

- (1) Authorise the sum of £50,000 from the funding allocated to the LAHF3 programme, to be spent to facilitate the renovation of a 3-bedroom Town & Country Housing property in Epsom.**

1 Reason for Recommendation

- 1.1 The Council has a statutory duty to assist homeless households under the Housing Act 1996 and Homelessness Reduction Act 2017. The Council's expenditure on temporary accommodation (including nightly paid) during 2024/25 was £3.1M. This proposal will help the Council manage the increase in the annual cost of temporary accommodation by maintaining the number of settled accommodation.

2 Background

- 2.1 As set out in Appendix A, the Council received a one-off funding allocation of £1,493,250 from the Local Authority Housing Fund R3 (LAHF R3) last year, following S&R Committee approval in November 2024.

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- 2.2 In exchange for the funding, the Council is expected to provide a minimum of **5** homes for the TA element, and a minimum of **1** home for the resettlement element.
- 2.3 Since approval, Officers have successfully purchased the resettlement unit plus one TA unit at a total cost of £673,000, whilst several other potential purchases have unfortunately fallen through.
- 2.4 Officers continue to liaise with estate agents and to monitor the local market for appropriate properties.
- 2.5 If the Council is unsuccessful in acquiring the four TA homes by March 2026, the funding must be repaid pro rata to MHCLG.

3 Proposal

- 3.1 Officers became aware several months ago of a property owned by TCH, which has been vacant since July 2024 and which TCH was seeking to sell via auction, due to what it considers to be prohibitive costs associated with refurbishment.
- 3.2 Officers requested that TCH review the original decision, however, the outcome remained that the property would be sold at auction.
- 3.3 Officers considered purchasing the property as part of the LAHF3 programme, however, the cost of purchase plus refurbishment was considered prohibitive.
- 3.4 Officers subsequently contacted MHCLG to ask whether it would be possible to utilise LAHF funding for refurbishment costs as an alternative to outright purchase. MHCLG confirmed that this would be an option, although should the Council pursue this option, it would include a clawback sum from the original allocation of £225,295, to reflect the reduced cost associated with refurbishing, as opposed to purchasing, the property.
- 3.5 The remaining allocation for the purchase of the outstanding three properties would be £1,294,955.
- 3.6 Officers' view is that the proposal represents good value for money and ensures that the Council has no ongoing maintenance obligation for the property. In addition, the property would contribute to the Council's aims of the LAHF3 programme.

4 Risk Assessment

Legal or other duties

4.1 Equality Impact Assessment

- 4.1.1 Minimising homelessness will have a positive impact on inequalities.

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4.2 Crime & Disorder

4.2.1 None for the purposes of this report.

4.3 Safeguarding

4.3.1 Assisting homeless households to access safe and secure accommodation will have a positive impact on safeguarding.

4.4 Dependencies

4.4.1 Progress is being closely monitored, and regular updates provided to the Chair and Vice chair of this Committee, Director of Environment, Housing and Regeneration and the Council's s151 officer, as well as the Strategy & Resources Committee with this report.

4.5 Other

4.5.1 None for the purposes of this report.

5 Next Steps

5.1 Should the Committee approve the recommendation, the Council will enter into a grant agreement with TCH to transfer £50,000 in return for nomination rights for the property in perpetuity. The grant agreement will also ensure the property remains available for social housing and that it can only be sold with the agreement of the Council and in such event that the Council receives a return on its investment.

5.2 Officers will continue to liaise with estate agents and to monitor the local market for appropriate properties, in order to achieve the aims of the funding allocation.

6 Financial Implications

6.1 As set out above, although there will be a clawback sum of £225,295, the overall financial implications are not adverse should the proposal be approved.

6.2 The grant agreement will include a clause to ensure the Council receives a return on its investment in the event that the property is sold.

6.3 **Section 151 Officer's comments:** The transfer of £50,000 to TCH with the relevant conditions noted in the report provides an opportunity to alleviate some of the council pressures surrounding temporary accommodation.

7 Legal Implications

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- 7.1 The Council's obligations, powers and duties in relation to homeless households are contained within the Housing Act 1996 and Homelessness Reduction Act 2017. If the Council does not meet its statutory obligations, then the Council will be in breach of its obligations and open to legal challenge.
- 7.2 The Council will enter into a grant agreement with TCH, to ensure the Council has nomination rights for the property in perpetuity. The grant agreement will also ensure the property remains available for social housing and that it can only be sold with the agreement of the Council and in such event that the Council receives an appropriate return on its investment.
- 7.3 **Legal Officer's comments:** None arising further to the implications noted above.

8 Policies, Plans & Partnerships

- 8.1 **Council's Key Priorities:** The following Key Priorities are engaged:
- Safe & Well: Work with partners to improve health and wellbeing of our communities, focusing on those who are more vulnerable.
- Managing our resources – The proposal will maintain the Council's access to settled accommodation, reducing the Council's reliance on expensive out of borough nightly paid accommodation.
- 8.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 8.3 **Climate & Environmental Impact of recommendations:** The Council will ensure that the property will be brought up to an Energy Performance Certificate rating of no lower than C.
- 8.4 **Sustainability Policy & Community Safety Implications:**
- 8.5 **Partnerships:** This proposal represents a partnership between the Council and the Ministry of Housing Communities and Local Government (MHCLG) and Town & Country Housing Association (TCH).
- 8.6 **Local Government Reorganisation Implications:** The approval of the recommendation will assist the Council, and future Council, in reducing NP costs.

9 Background papers

- 9.1 The documents referred to in compiling this report are as follows: None.

Previous reports:

- [Strategy & Resources LAHF3 report November 2024](#)

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Other papers:

- None