



Report To:	Cabinet
Date:	30 th June 2026
Subject:	Local Authority Housing Fund (LAHF) Round 4 for the provision of Temporary and Resettlement Homes
Purpose:	The report seeks agreement to accept the Local Authority Housing Funding MHCLG has offered to the council and agreement to match fund to enable the delivery of 2 Temporary and 1 resettlement home.
Key Decision:	Yes
Portfolio Holder:	Cllr Tracey Carter Portfolio Holder for Strategic and Operational Housing
Report Of:	Matthew Hogan, Service Director – Strategic Growth and Development
Report Author:	Stuart Horton, Strategic Housing Manager for the SELCP
Ward(s) Affected:	All Wards.
Exempt Report:	No

Summary

In December 2025 an Expression of Interest (EOI) was approved and submitted to the Ministry of Housing Communities and Local Government LAHF Round 4 programme for unallocated funding to provide 3 properties (2 for temporary accommodation and 1 for resettlement) to help meet the need for households requiring accessible and adapted properties to reduce the use of expensive bed and breakfast, hotel accommodation or unsuitable housing for these clients.

Earlier this year the council was contacted and informed the submitted EOI was successful and a Memorandum of Understanding (MOU) to sign and return if we wish to accept the funding offered.

This report seeks approval to take part in the LAHF Round 4 programme, accept the associated funds, agree a strategy for their spend, amend the council's capital

programme, and seek delegation to officers to agree the terms of the MOU between the authority and MHCLG in relation to the LAHF4 funding.

Recommendations

That Cabinet

1. Agrees to take part on the Local Authority Housing Fund Round 4 programme, with a view to bringing 3 properties into the council's ownership to meet housing needs within the district.
2. Delegates to the Service Director of Strategic Growth & Development, in conjunction with the Portfolio Holder, to finalise and agree the terms of the MOU for the LAHF Round 4 programme with MHCLG and
3. That it recommends to Council that the 2026/27 capital programme is amended to reflect the LAHF 4 funds required to match fund the Local Authority Housing Funding of £345,000 received, £70,000 from underspends from round 3, with £434,477 from the council's S106 affordable housing commuted sum reserves giving a total scheme value of £849,477.

Reasons for Recommendations

1. To deliver the programme to increase the supply of Council owned general fund temporary accommodation and re-settlement homes following the offer of the LAHF4 grant.
2. To meet short term needs of homeless households within the district.
3. To increase the number of homes owned by the authority and enable the authority to directly deliver housing solutions to issues within the district.
4. To enable the authority to act swiftly to secure the acquisition of suitable properties identified to meet the needs of residents of the district.
5. Reduce the need to use costly bed and breakfast accommodation, hotel accommodation or unsuitable housing for clients requiring temporary accommodation.

Other Options Considered

Do nothing - In this event the authority would accept the LAHF 4 from the MHCLG and not proceed with the purchase of properties. Consequently, the expected benefits set out in the Reasons for Recommendations section of this report would not be realised with no increase in housing supply in the district achieved to address need.

Alternative properties – Officers considered a range of options on the types of property that could be acquired to deliver temporary and resettlement homes. Following evaluation of these and taking account of cost, size, location, flexibility, management implications and accessibility, adaptability and overall suitability, the preferred options set out in the report have been arrived at. The option to acquire suitable second-hand properties on the market for accessibility and adaptability for temporary accommodation

and new build homes for the re-settlement property are considered the most appropriate way to deliver the programme.

1. Background

- 1.1 The Local Authority Housing Fund is an ongoing national programme to support local authorities in meeting housing need through capital investment into new homes. The latest round of the scheme (Round 4) has a focus on supporting two cohorts:
- 1.2 Firstly, funding for local households in need of temporary accommodation. The fund allows authorities to access funds to support the provision of additional temporary accommodation for use by authorities in meeting local need.
- 1.3 Secondly, to provide accommodation to Afghan families, settled in the UK legally under government schemes following the conflicts in the two countries. The programme stems from the government's commitment to support up to 20,000 Afghan households who played a role in supporting UK forces during recent conflict in the region. The programme provides funding for resettlement accommodation for such households, on the basis that the homes will be occupied for a medium-term period (c5 years). The assumption within the programme is that, following their occupation as resettlement properties, the homes will return to use by the local authority for temporary accommodation.
- 1.4 In order to access funds for properties aimed at local households, local authorities must also agree to provide at least one property under the resettlement element of the programme.
- 1.5 For clarity, the resettlement element of the scheme is not aimed at households who have arrived in the UK illegally, outside of government sponsored resettlement schemes. It is also not aimed at households and individuals seeking asylum in the UK.
- 1.6 The Council has secured funding through the LAHF scheme in two previous rounds, with a total of 14 homes delivered in South Holland. Previous investment has consisted of 5 homes for temporary accommodation, and 9 resettlement properties. A total of £1.69m of LAHF grant has been secured into housing stock now owned by the authority, providing the authority with a long term asset. This investment has supported the authority to utilise a higher level of temporary accommodation stock than previously available to it, including stock of a higher quality better suited to meet the needs of service users through the council's housing team.
- 1.7 In November 2025 the Ministry of Housing Communities and Local Government launched the LAHF Round 4. Although the South-East Lincolnshire Councils Partnership Local Authorities did not receive an initial allocation, we were invited to submit an Expression of Interest (EOI) for unallocated unclaimed funding.
- 1.8 Following discussions with the Portfolio Holder, S151 officer and Monitoring Officer an EOI was submitted for the provision of 3 properties (2 for temporary accommodation and 1 for resettlement) in each district that would meet the need for households requiring accessible and adapted properties rather than the use of expensive bed and breakfast, hotel accommodation or unsuitable housing for these clients.

2 Local Context and the case for LAHF 4 accommodation provision

- 2.1 The need for ground floor temporary accommodation in South Holland is consistently high due to mobility issues, frailty, disability, and long-term health conditions. This demand is reinforced by the area's ageing population, where 1 in 4 residents is aged 65+ and 1 in 9 is 75+.
- 2.2 Between January 2025 and January 2026, older households made up a substantial share of those seeking help, for South Holland:
- 17.50% of all people approaching for rehousing were aged 55+.
 - 30.97% of all temporary accommodation placements were for people aged 55+ or who had a ground floor need.
- 2.3 Despite this, the number of ground floor properties available for temporary accommodation falls short of need with only 6 of 33 (18%) temporary accommodation properties in South Holland being suitable. The above clearly demonstrates that demand for suitable ground floor accommodation outweighs supply.
- 2.4 The shortage of low-level adapted ground-floor temporary accommodation means older and mobility-restricted households are increasingly at risk of being placed in unsuitable housing. This can lead to reduced independence, higher health and safety risks, longer stays in temporary accommodation, and greater pressure on wider health and housing services. Without expanding suitable provision, the gap between need and availability will continue to widen as the population ages.
- 2.5 Bed and breakfast and hotel accommodation typically cost between £70-£120 per night and over the year this can add up to between £25,000-£40,000 per household accommodated. The provision of additional temporary accommodation will reduce reliance on high-cost placements delivering revenue savings, provides a long-term asset, improves outcomes for vulnerable households.
- 2.6 Properties purchased through previous LAHF rounds have performed well providing cost savings and reduced timescale for the returns on investment.

3 Outcome of the EOI, Financial Implications and savings.

- 3.1 Following the submission of the EOI earlier in the year, the council has subsequently been contacted and has been offered funding by the Government under LAHF Round 4.
- 3.2 The authority has been offered £345,000 to provide 3 homes to deliver in 2026/27, with 2 properties (2 - 4+ bed) for households requiring temporary accommodation and 1 property (a 2 or 3 bed property) for households that meet the resettlement element eligibility criteria. The total allocation includes the refurbishment allowance of £21,000 per property and a revenue grant of £3,114.
- 3.3 There are several financial implications associated with the report recommendations. To deliver the three properties, an assumed total project cost is £849,477. This

including all project delivery oncosts the council typically applies to housing acquisition projects.

- 3.4 With government providing a capped figure of £345,000 to support the delivery of the three properties, this will necessitate the council making an anticipated capital contribution of £534,477. It is proposed that this contribution is financed through £70,000 from an underspend from the previous LAHF round, and £434,477 in S106 commuted sum funding. Para 3.6 and 4.2 sets out how officers will seek to reduce this overall cost through the approach to property identification.
- 3.5 This brings the council contribution per property to £144,826. This is higher than the per property contribution compared with previous rounds but reflects the fact that the property types sought for the two temporary accommodation homes are bungalow accommodation. The figures also assume a need to fund additional adaptation to any properties acquired, to ensure that they are suitable for the intended cohort. The figures include allowances for legal, project management, buyers agent services and contingency; an approach consistent with previous LAHF business cases. A prudent approach has been taken when defining the budget envelop required to deliver the project.
- 3.6 However, despite officers seeking to take a prudent approach at this stage when defining the budget for the initiative, it is worth noting that a delivery approach will be adopted that seeks to achieve the very best value when considering the spend of funds. The delivery approach will prioritise identification and acquisition of properties that have already had a degree of adaptation (so as to reduce the level of capital the council needs to expend on making adaptation), as well as targeting ground floor flats should they be available and suitable for the intended use. Ground floor flats in South Holland, although in shorter supply, are typically between 40% and 50% lower in market value than bungalows.

Delivery proposals

- 4.1 Due to the nature of homelessness and resettlement accommodation, where proximity to essential amenities, support services, transport links, and health provision is critical, delivery will be focused within and surrounding the main market towns in the district. These locations offer the strongest access to GP practices, pharmacies, supermarkets, employment opportunities, schools and public transport. This need will be balanced against the need to find properties suitable for the intended cohort, at a price that represents good value to the authority.

4.2 Temporary Accommodation

The strategy will be to focus on the market acquisition of existing bungalows, ground-floor flats and level-access units. This option is likely to form the most viable option with the funding available, especially as it is difficult to find new ground floor accommodation due to flood risk challenges. As set out above, the delivery approach will prioritise identification and acquisition of suitable properties, e.g. already adapted or partially adapted, in relation to the temporary accommodation ground floor properties. This along with the potential acquisition of ground floor flats will seek to minimize the overall capital costs.

4.3 Resettlement Accommodation

Previous rounds of LAHF funding have demonstrated that acquisition of new build properties on active housing developments is a proven and effective delivery method. Each council has successfully progressed and occupied its general needs resettlement homes through this route, benefitting from predictable timescales, developer ready units, and high quality, modern accommodation that meets required standards. This approach has consistently enabled the delivery of suitable, sustainable homes in line with programme deadlines and provides a strong foundation for continued delivery under LAHF4.

Conclusion

- 5.1 This report seeks to accept the offer of funding from the government to support the delivery of 3 properties to help meet housing need and reduce the need for expensive bed and breakfast and hotel accommodation over the short medium and long term. The report also seeks recommendation to the council for inclusion of match funds into the 2026/27 capital programme to deliver the project.
- 5.2 If the LAHF is accepted and the capital contributions from the council approved individual properties will be identified and full business cases for the acquisition, works and adaptation (TA accommodation) of the properties will be developed and presented for approval by Cabinet / Exec Board.

Implications

South and East Lincolnshire Councils Partnership

Corporate Priorities

The report recommendations support the delivery of the SELCP's Sub-regional Strategy 2024/25 – 2028/29, specifically in respect of the priorities relating to Healthy Living.

Staffing

The report brings with it staffing implications. The project will be managed through the council's Housing Development team, as part of the council's existing housing work.

Workforce Capacity Implications

The Housing team has sufficient capacity to manage the three additional properties.

Constitutional and Legal Implications

The report seeks executive approval for the council's involvement in the Local Authority Housing Fund (LAHF) Round 4, coupled with a recommendation that the total project costs be created as a capital budget within the council's 2026/27 capital programme.

Data Protection

There are no known data protection implications associated with the report recommendations at this time.

Financial

The financial implications are set out in the body of the report. If members resolve to accept the funds and create the necessary budget, individual business cases (including property specific financial modelling) will be prepared for individual property acquisitions under the programme.

Risk Management

The delivery of new housing projects comes with a number of risks. These include financial, reputation and legal. Considerable experience exists with the council in respect of the management and delivery of housing investment projects and will be deployed in the delivery of these properties.

Stakeholder / Consultation / Timescales

HM Government and the Ministry for Housing, Communities and Local Government (MHCLG) are a key stakeholder in the LAHF scheme. Officers have developed a good relationship with civil servants involved in the scheme and will continue to liaise with MHCLG throughout the course of the programme. In terms of timescales, as set out within this report, government has set out a desire to see the three properties delivered by March 2027

Reputation

The SELCP has the experience from several rounds of LAHF, on which to base its approach to communications on Round 4.

Contracts

Participation in the scheme will see the council enter into a Memorandum of Agreement with government. This decision seeks delegated authority be provided to the Assistant Director for Strategic Growth and Development to agree and conclude the terms of that agreement, in consultation with the Portfolio Holder for Housing and Communities

Crime and Disorder

There are no known crime and disorder implications associated with the report recommendations at this time.

Equality and Diversity / Human Rights / Safeguarding

There are no known equality, diversity, human rights or safeguarding implications associated with the report recommendations at this time. However, these will continue to be evaluated.

Health and Wellbeing

The provision of good quality affordable housing is shown to have a positive impact on the health and wellbeing of residents, and this is especially the case for temporary accommodation and for those with disabilities.

Climate Change and Environment Impact Assessment

The properties acquired will meet in not exceed the appropriate energy efficiency standards.

Acronyms

LAHF - Local Authority Housing Fund

MHCLG - Ministry of Housing, Communities and Local Government

Appendices

None

Background Papers

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

Chronological History of this Report

A report on this item has not been previously considered by a Council body

Report Approval

Report author:	Stuart Horton, Strategic Housing Manager for the SELCP.
Signed off by:	Matthew Hogan, Service Director – Strategic Growth and Development
Approved for publication:	Councillor Tracey Carter, Portfolio Holder for Strategic and Operational Housing