



<b>Report To:</b>	Cabinet
<b>Date:</b>	24 <sup>th</sup> June 2026
<b>Subject:</b>	Local Authority Housing Fund (LAHF) Round 4 for the provision of Temporary and Resettlement Homes
<b>Purpose:</b>	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 Homes.
<b>Key Decision:</b>	Yes
<b>Portfolio Holder:</b>	Councillor John Baxter, Portfolio Holder for Housing
<b>Report Of:</b>	Matthew Hogan, Service Director – Strategic Growth & Development
<b>Report Author:</b>	Stuart Horton, Strategic Housing Manager for the SELCP
<b>Ward(s) Affected:</b>	Potentially wards in and close to Boston.
<b>Exempt Report:</b>	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. Approves the approach to spend of the funds, including type, priority location and delivery, as articulated within this report;
3. 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:
4. 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 BBC £302,000, received with £365,000, from the council's reserves giving a total scheme value of £667,000.

## Reasons for Recommendations

- 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.
- To meet short term needs of homeless households within the district.
- To increase the number of homes owned by the authority and enable the authority to directly deliver housing solutions to issues within the district.
- To enable the authority to act swiftly to secure the acquisition of suitable properties identified to meet the needs of residents of the district.
- 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, it provides 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 The families supported through the programme includes those who:
  - Were evacuated after the collapse of the Afghan government in August 2021
  - People who worked for (or with) the UK government, armed forces, or British organisations in Afghanistan, who were considered at risk because of that work
- 1.5 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.
- 1.6 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.
- 1.7 The Council has secured funding through the LAHF scheme in two previous rounds, with a total of 13 homes delivered in Boston. Previous investment has consisted of 12 homes for resettlement accommodation, and 1 temporary accommodation property. A total of £1.163m 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.

- 1.8 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.
- 1.9 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 accommodation 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 Boston Borough:
- 14.52% of all people approaching for rehousing were aged 55+.
  - 22.58% of all temporary accommodation placements were for people aged 55+ or who had a ground floor need.
- Despite this, the number of ground floor properties available for temporary accommodation falls short of need with only 1 of 6 (16.7%) temporary accommodation properties in Boston being suitable.
- 2.3 The above information clearly demonstrates that demand for suitable ground floor accommodation significantly 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.
- 2.7 To assist in appraising the financial considerations associated with this strategy, officers have sought to compare the net cost to the authority per unit of temporary accommodation, across a range of different models. These models include:
- Using nightly paid Bed and Breakfast accommodation (which in this example, would be ground floor adapted hotel accommodation).

- A property leased from a housing association
- A property leased from the private sector (i.e. a private landlord)
- The council owning and acquiring property

2.8 These models of temporary accommodation are not directly comparable for a number of reasons. For example;

- Government expects local authorities to use Bed and Breakfast accommodation as a method of 'last resort' when meeting temporary accommodation duties.
- Leasing property from a housing association is not a preferred model, as it does not create additional supply of affordable homes to meet need (therefore making it more challenging to support 'move-on' out of temporary accommodation in the first place).
- Ground floor, adapted privately rented accommodation is in short supply in the private sector, making private sector leasing a challenging option when seeking to meet the needs of the housing service through this model.

2.9 The cost comparison is set out below. These figures take into account maintenance, staffing costs, rental income, and interest forgone on capital deployed (based on advice from PSPS Treasury Management, assuming £120,000 per property acquired).

	<u>Use of one room in a B&amp;B</u>	<u>Leasing a property from a housing association 1 bed</u>	<u>Using property owned by the council- 1 bed</u>	<u>Leasing a property from the Private sector - 1 bed</u>
<u>Net Cost per day</u>	£86.27	£35.92	£27.65	£42.94
<u>Annual cost</u>	£31,488.85	£13,110.80	£11,693	£15,676.75

2.10 Comparing the net costs of using B&B to meet the temporary accommodation need identified in this report, the strategy set out within the report (purchase of adapted properties to meet the needs of households with ground floor accommodation needs) the savings to the authority amount to **£19,755** per property per annum.

2.11 The scope for savings are higher when compared with the two other options (leasing property from either a housing association or the private sector), but as set out in Para 2.8 those two models are not direct comparators for a number of key reasons.

### **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 council have been offered £302,000 to provide 3 homes for delivery in delivery in 2026/27 with at least 2 properties (2-4+ bed) for allocation to households requiring temporary accommodation and 1 property (2-3 bed) 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 £3,200.

- 3.3 There are several financial implications associated with the report recommendations. To deliver the three properties, an assumed total project cost is £667,000 including all project delivery oncosts the council typically applies to housing acquisition projects.
- 3.4 With government providing a capped figure of £302,000 to support the delivery of the three properties, this will necessitate the council making an anticipated capital contribution of £365,000 from the council's General Fund.
- 3.5 This equates to £121,666 per property in terms of council contribution, inclusive of all on-costs. 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 Boston, although in shorter supply, are typically lower in market value than bungalows.

#### **4. 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.

#### **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.

## **5. 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 taken through the relevant formal decision-making route.
- 5.3 Subsequent consideration of individual full business cases for individual properties presents a further opportunity to consider the project in the round, including the position with LGR, the financial position of the council at that point in time, and any other subsequent opportunities that may emerge to meet the same housing need in different ways.

## **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**

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