

To: Cabinet
Date: 8 July 2026
Report of: Director of Housing
Title of Report: Local Authority Housing Fund - Round 4

Summary and recommendations	
Decision being taken:	The report seeks the required budget provision and the necessary project approval and delegations to enable the Council to proceed with entering into the national Local Authority Housing Fund Round 4.
Key decision:	Yes
Cabinet Member:	Councillor Linda Smith, Cabinet Member for Housing and Communities and Councillor Mike Rowley, Cabinet Member for Regulation of the Private Rented Sector and Preventing Homelessness
Corporate Priority:	Deliver good, affordable homes and thriving communities
Policy Framework:	Housing, Homelessness and Rough Sleeping Strategy 2023 – 2028

Recommendation(s): That Cabinet resolves to:	
1.	Approve receipt of the Local Authority Housing Fund Round 4 (LAHF R4) funding of £1,719,354 to deliver 4 temporary accommodation units and 4 units for resettled Afghan families
2.	Recommend to Council, to approve the allocation of £808,000 of the LAHF R4 grant funding in substitution of approved HRA borrowing for the delivery of the temporary accommodation element of LAHF R4.
3.	Recommend to Council, to approve the allocation of £898,500 of the LAHF R4 grant funding to a new General Fund capital budget for the payment of a capital grant of 898,500 to a Registered Provider to deliver the 'resettlement' element of LAHF R4.
4.	Delegate authority to the Director of Housing in consultation with; Cabinet Member for Regulation of the Private Rented Sector and Preventing Homelessness, the Group Finance Director and the Director of Law Governance and Strategy, to select a Registered Provider delivery partner and enter into a grant agreement with them to part fund the purchase of 4 units for resettled Afghan families.

Appendices	
Appendix 1	Risk Register

Introduction

1. The Ministry of Housing, Communities and Local Government (MHCLG) has launched a national £950m Local Authority Housing Fund - Round 4 (LAHF R4), to support local authorities to increase the supply of good quality temporary accommodation to reduce homelessness pressures and provide accommodation to Afghan families settling in the UK legally under the government resettlement scheme following the Taliban takeover of Afghanistan.
2. The Council has seen a significant increase in demand for homelessness services in recent years and this in turn has increased the demand for emergency temporary accommodation (TA) including expensive hotel accommodation, required to meet the Council's statutory duties. Cabinet received a report in April 2026, which confirmed that in financial year 2025-26 the Council had placed over 500 households into TA and has currently around 320 households in TA, with a substantial number in hotels and nightly charged accommodation, as of April 2026.
3. The UK has welcomed around 37,000¹ Afghans nationally who have fled the country following the Taliban takeover, due to the risk they will be persecuted for supporting the former government and the British presence in the country.
4. Locally, Oxford City Council has now directly supported 65 families under refugee resettlement schemes from Syria, Afghanistan, and other countries and in doing so those families have successfully made Oxford their home. Supporting refugee resettlement is aligned to the Council's strategy, and taking part in these government schemes helps ensure grant funding is received to adequately house and support these families as they settle in the city.
5. Oxford City Council have previously received funding for Local Authority Housing Fund (LAHF) – Round 1,2 and 3 and progress to date has been very positive. As part of the previous rounds of LAHF, the Council purchased 15 properties (6 under R1,4 under R2 and 5 under R3) through a combination of central government grant funding and Council investment. In total 22 properties have been delivered through Rounds 1-3 of LAHF, exceeding the central government target with the programme delivery now complete.
6. The Government announced the creation of LAHF R4 and gave an initial allocation offer to Local Authorities who were in scope for a grant allocation in November 2025.

Local Authority Housing Fund Round 4 investment

7. Oxford City Council have been allocated further grant funding for LAHF Round 4 to purchase 8 properties. There are two elements to the grant, the temporary accommodation ('TA') element for 4 units, with properties used for homeless households and the 'resettlement' element for 4 units to support Afghan households in need of resettlement under the Afghan Resettlement Programme (ARP). As a prerequisite to enter the fund, Council officers were required to sign a Memorandum of Understanding (MoU) with MHCLG.
8. The 8 properties will be acquired from the local housing market through a combination of Council led delivery for the TA element, and in partnership with a local Registered Provider of Social Housing, for the resettlement element. MHCLG has approved this proposal and agreed to release the grant funding, subject to the Council and delivery partner making the necessary part investment and meeting the terms of the fund.

¹ <https://www.gov.uk/government/publications/afghan-resettlement-programme-operational-data/afghan-resettlement-programme-operational-data>

9. Cabinet has agreed the acquisition of up to 150 additional TA units via £32m investment in March 2026 and this report proposes that the four 4 'TA' units are delivered under the wider TA programme. The properties purchased for the 'TA' element will be good quality self-contained accommodation and let at temporary accommodation rent charges. Officers are proposing to utilise the grant funding for the 'TA' element to support the delivery of the wider TA programme reducing the demand on the Housing Revenue Account (HRA), providing value for money for the Council. For the 'TA' element the government grant will be £808,000 and will replace some HRA borrowing.
10. In regard to delivery of the four 'resettlement' properties, the proposal is to work with a local Registered Provider rather than direct deliver through additional HRA borrowing. This partnership approach will deliver the same benefits of new social housing, without adding further borrowing burden on the Housing Revenue Account (HRA) which can instead be used on other priorities like more general needs housing. As part of the terms of the partnership arrangement, it is proposed the Council will be entitled to nomination rights.
11. Access into the private rented sector will be the most important option for many refugee households and work across Oxfordshire is underway to support access into the sector with support with deposits and rent in advance, but the opportunity from LAHF R4 is that it will allow the Council to work with deliver partner to offer affordable housing at an affordable rent for Afghan refugees from the 'resettlement' element of the fund, which also reduces homelessness demand.
12. The fund guidance sets out that if a resettlement property becomes available within a 3 year period of the home coming into use, the government expects that home to be offered to another resettled family. Beyond that the fund brings the benefit that the homes can be available to support wider housing and homelessness responsibilities after the needs of the eligible cohort have been addressed.
13. LAHF R4 will help the Council achieve its corporate priorities, to deliver good, affordable homes and support thriving communities, and allow the Council to access funding to both increase the supply of good quality temporary accommodation, address the immediate pressures of supporting refugee communities to find accommodation, as well as adding to our stock of council housing for the future.
14. Regarding the properties the government have directed that 6 properties should delivered in year 1 (2026-27) and 2 properties in year 4 (2029-30) of the programme. Due to the gap between delivery years, Officers have sought dispensation from central government to deliver the 2 units for year 4 (2029-30) at an earlier point. See Table 1 for a breakdown of the programme's delivery as per the current delivery timetable:

Table 1

Property type	Year 1 deliver y target (2026-27)	Year 2 deliver y target (2027-28)	Year 3 deliver y target (2028-29)	Year 4 deliver y target (2029-30)	Total deliver y target
TA element (2-4+bed)	3	0	0	1	4
R4 resettlement element (2-3 bed)	2	0	0	0	2

R4 large resettlement element (4+bed)	1	0	0	1	2
All property types	6	0	0	2	8

Alternative Options

15. Deliver the resettlement properties directly through the HRA – This would result in additional Housing Revenue Account borrowing as the grant money is insufficient on its own to acquire the required units.
16. Do nothing – Under this option, the Council would not accept the grant funding that has been made available and therefore would not be able to deliver the properties, for the eligible cohort, with substantial contribution by the government and this would not support the existing TA deliver programme and would not reduce pressure on the HRA. Under the 'do nothing' option, the potential benefits referenced in this report will not be realised. The Council would need to consider other accommodation offers to support refugee groups.

Implications of Local Government Reorganisation

17. Government guidance concerning LGR has been considered in relation to this report. Entering into the fund will ensure the Council receives grant funding to deliver additional housing to reduce homelessness which will continue to be required post LGR, ensuring that essential service delivery continues as well as providing value for money.

Carbon and Environmental

18. There are few environmental considerations arising directly from this report. Any property purchased into the HRA or by an RP will need to comply with the Decent Homes Standard, Housing Health & Safety Rating System (HHSRS) and meet EPC rating of C or above. The properties will go through voids process to ensure they are brought up to a lettable standard in line with other allocations of housing.
19. Officers will ensure through agreement that the RP will independently maintain and apply its own stock standards and that the approach meets the terms of the MHCLG prospectus. Appropriate governance and regular reporting arrangements will be put in place to provide assurance that these requirements are being met on an ongoing basis.

Financial implications

20. The total approved grant to be received from government is £1,719,354 which comprises a capital grant of £1,706,500 and a revenue grant of £12,854. This is to be received in the tranches as per the LAHF R.4 prospectus.
21. As stated earlier in this report, the 'TA' element will be delivered as part of the wider TA programme to deliver 150 units via £32m investment which was approved by cabinet in March 2026. Therefore, the grant received for the 'TA' element of £808,000 will reduce HRA borrowing and no additional HRA borrowing is requested as part of this report.
22. For the 'resettlement' element, the Council will receive £898,500 in grant and the Council will enter in an agreement that will allow for the transfer of grant to a RP to purchase the required resettlement properties with RP funding a portion which the grant does not cover. Officers will create a new budget line in the General Fund so the grant of £898,500 can be received from central government and then paid out to the RP, the delivery overall will be cost-neutral to the Council. This report seeks delegated approval to enter into an agreement with a RP in line with the government guidance for the programme.

23. It should also be noted that delivery and payment timings will remain subject to MHCLG agreement and approval. As such, timescales and funding drawdown profiles may be subject to change, including in circumstances where the acquisition programme is completed earlier than currently anticipated.

Legal issues

24. Under Parts 4.5 (4) and 4.5 (26) of the Constitution Cabinet is responsible for the decisions set out in the recommendation. Under section 9E (3) (c) of the Local Government Act 2000 Cabinet is empowered to delegate its functions to officers.
25. Any delegated decision to award a grant of £750,000 or greater will be a Key Decision and will need to comply with the procedure for taking Key Decisions set out in the Council's Constitution.
26. The MOU between the Council and the Ministry of Housing, Communities and Local Government has not been referred to legal for review and has already been signed by the Council. Whilst it states it is not intended to create legal or binding obligations this does not automatically prevent MHCLG being able to recover the grant. The Council should ensure it complies with the obligations set out within it. The Council also needs to be confident that the proposed use of the grant for an already existing TA scheme is acceptable to MHCLG.
27. Legal advice must be sought in respect of the proposal partnership working with a Registered Provider including how a partner is chosen and to draft the agreement between the Council and its chosen partner.

Level of risk

28. See Risk Register attached, under Appendix 1

Equalities impact

29. A EQIA can be found in Appendix 2

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Background Papers: None
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