

## Housing Green Paper: Local Delivery Vehicle

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## What is a local delivery vehicle?

- One of the options put forward in the government's Housing Green Paper for councils to meet housing needs in their area
- An opportunity to:
  - Raise additional investment for improving council tenants' homes
  - Refurbish council properties that require major investment
  - Provide a stable supply of accommodation for homeless households and other groups for whom the council has a duty to provide housing

## Stage 1: Review of Housing Green Paper Options

- Review of options set out in the Housing Green Paper, *Homes for the Future: more affordable, more sustainable*
- Options for local delivery or similar special purpose vehicle to make the most of existing homes and lever in investment
- Agreed set parameters to reflect tenants' vote to keep the Council as their landlord
  - No RSL involvement
  - No freehold transfer
  - No transfer of tenanted properties
  - Maximum leasing of 499 properties within a period of 5 years.

## Outcome of stage 1: Review of Housing Green Paper Options

- Review found that a local delivery vehicle provides an opportunity of achieving the council's objectives and could deliver:
  - Lease payments that will be used as investment for improvement of council homes – up to £45 million to the HRA
  - Funding to refurbish leased stock
  - A stable supply of accommodation for homeless households and other groups for whom the council has a duty to provide housing
- July 08: Tenants at HMCC agreed unanimously that council should develop and finalise a proposal to create an LDV



# How does the local delivery vehicle work?

- The council leases a maximum of 499 properties to the LDV
- the LDV pays for refurbishment of the properties and lets them to council nominees
- the LDV can borrow capital on the basis of secure revenue streams from the rental income to
  - Refurbish the properties
  - Pay a lease premium to the council
- rents would be within housing benefit levels already used when providing accommodation for the client groups in question.

# How would tenants benefit?

- Commitment to fulfil the wishes of tenants to keep the council as their landlord
  - no change to secure tenancies (or those of introductory or demoted tenants)
- Additional investment helps to meet the investment gap for carrying out repairs and improvements to tenants' homes
- Proposal will only involve empty properties
- Part of the wider strategy to achieve excellence in Housing Management alongside:
  - Asset management plan
  - Housing procurement strategy
  - HRA business plan