

For general release

**EXTRACT FROM THE PROCEEDINGS OF THE CABINET SPECIAL MEETING HELD ON THE
24 SEPTEMBER 2008**

Subject:	A Housing Local Delivery Vehicle		
Date of Meeting:	9 October 2008		
Report of:	Director of Strategy and Governance		
Key Decision:	Yes	CAB3347	
Contact Officer:	Name:	Martin Warren	Tel: 29-1058
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Wards Affected:	All		

Present: Councillor Mears (Chairman), Councillors; Caulfield, Fallon-Khan, Kemble, Norman and Young.

Also in attendance: Councillor Simpson (Opposition spokesperson for Housing)

PART ONE

75 A HOUSING LOCAL DELIVERY VEHICLE

- 75.1 The Cabinet considered a report of the Director of Adult Social Care & Housing, concerning the proposed creation of a housing Local Delivery Vehicle (LDV), to obtain best value for money from the Housing revenue Account (HRA) assets, requiring reinvestment and not occupied by secure tenants, without freehold transfer (for copy see minute book).
- 75.2 The Chairman noted that the report had been considered by the Housing Management Consultative Committee at its meeting on the 23rd September and the committee had agreed with the proposal and made a number of representations to the Cabinet. She drew the Cabinet's attention to the representations which had been circulated and stated that she was very happy to ensure that the representations were taken on board during the process of establishing an LDV. The Chairman also noted that there was a need to find the necessary resources to invest in the council's housing stock and enable it to meet the Decent Homes Standard, and the proposed creation of an LDV would provide that opportunity.
- 75.3 Councillor Caulfield, Cabinet Member for Housing introduced the report and stated that following the tenants' no vote for the transfer of housing stock, the Government had withdrawn funding options but still required the council's stock to meet the Decent Homes Standard. The proposed LDV was therefore felt to be the best mechanism to enable the necessary resources to be acquired and to enable the council to take forward an improvement programme. She stated that the Housing Management Consultative Committee had unanimously agreed to the proposed LDV and she fully supported the representations put forward to the committee and would ensure that they were incorporated into the process for the creation of an LDV.

- 75.4 Cabinet Members welcomed the report and queried whether the Secretary of State's consent to the transfer of leases to the LDV was expected to be forthcoming.
- 75.5 The Director of Adult Social Care & Housing stated that it was difficult to gauge whether the Secretary of State's approval would be given. However, officers were in discussions with government officials and these had been supportive. She also noted that aspects of the proposed LDV were included in the recent Green Paper on Housing and therefore she was hopeful that the proposed LDV and consents for the transfer of leases would be approved.
- 75.6 The Chairman welcomed Councillor Simpson as the Opposition Spokesperson to the meeting and invited her to comment or put any questions on the matter.
- 75.7 Councillor Simpson thanked the Chairman and stated that the Labour Group supported the proposal for an LDV in principal, but felt that there could have been a greater period of consultation with tenants. There was a lot of work to do and this had been recognised by the Housing Management Consultative Committee and meant that a number of aspects had yet to be answered. However, she felt that the representations circulated from the meeting reflected the views of the committee and she hoped that they would be taken on board. She also asked if there could be a regular report to the Housing Management Consultative Committee on the level of supply of social housing.
- 75.8 The Chairman thanked Councillor Simpson for her comments and stated that the level of affordable housing within the city was a key factor and a target for the Local Area Agreement. She was therefore happy for it to be monitored through the committee and by the Cabinet Member for Housing. She was also determined to ensure that tenants were fully consulted on the process and developments at each stage.
- 75.9 Councillor Caulfield stated that should Cabinet and Council agree to the recommendations contained in the report, it would enable officers to take matters forward and for regular reports to be made to tenants at area panels, the Housing Management Consultative Committee and her Cabinet Member Meetings.
- 75.10 The Chairman then put the recommendations as listed in the report to the Cabinet for approval.
- 75.11 **RESOLVED:**
1. That the setting up of the proposed Local Delivery Vehicle to deliver key strategic housing and corporate priorities and generate funding for investment in the HRA to improve council homes and assist the council in meeting the Decent Homes Standard be approved;
 - 2(a) That the Local Delivery Vehicle (LDV) be incorporated as a Company Limited by Guarantee and charitable status be sought; and
 - 2(b) That the LDV be established with a board of management of 12, comprising one third council nominees, one third BHCC tenants (selected by Area Housing Management Panels) and one third independents (appointed by the other board members of the company), and that board composition be reflected at company membership level, making the LDV independent of the council;

3. That the potential for two funding sources (namely private sector funding or via council borrowing) be noted, and that officers be instructed to undertake all actions necessary to put a private sector funding solution in place concurrently with further assessing the council borrowing option (including, if necessary, seeking any consents from the Secretary of State under sections 24 and 25 of the Local Government Act 1988). That officers be instructed to report back to a committee of the Cabinet comprising the Cabinet Members for Housing and Finance once all due diligence work is completed for determination of the funding option to be used, (it is anticipated that this will be completed by December 2008);
4. That the proposal to enter into a VAT shelter arrangement with the LDV (including a development agreement with it for the refurbishment of leased properties) be agreed and the Director of Adult Social Care and Housing be authorised to take all steps necessary for its establishment following legal advice;
5. That the Director of Adult Social Care and Housing be authorised, after consultation with Cabinet Member for Housing, to take all steps necessary or incidental to the formation of the LDV including but not limited to the granting of the leases and other steps necessary to implement the proposals in the report and to report back on progress when seeking the determination on funding solutions referred to in 2.3 above;
6. That use of up to £45 million generated from the leasing of HRA assets to the LDV for affordable housing and in particular for the carrying out of improvements to the council's retained HRA stock under the council's Decent Homes programme during the period from April 2009 to April 2016 be approved;
7. That Full Council be recommended to authorise the making of an application to the Secretary of State for consent to lease to the LDV (with vacant possession for a period of up to 125 years) the 106 Housing Revenue Account dwellings listed in the schedule contained in Part 2 of the agenda (exempt under paragraphs 1, 2 and 3 of schedule 12A to the Local Government Act 1972 (as amended)) under the requirements of s32 Housing Act 1985 and any additional application necessary or incidental to the granting of such leases or under any other relevant legislation; and
8. That Full Council be recommended to authorise the making of an application to the Secretary of State for consent to lease to the LDV (with vacant possession) for a period of up to 125 years such other Housing Revenue Account dwellings, in addition to those listed in the schedule above (up to a maximum of 499 in total, including those covered under 2.7 above, within a five year period) that satisfy the criteria referred to in paragraph 3.4.9 of the report; and for the avoidance of doubt Cabinet and Council delegate the power to make decisions on the inclusion of individual properties to the Director of Adult Social Care and Housing after consulting with the Cabinet Member for Housing.

