



Meeting of the

OVERVIEW & SCRUTINY COMMITTEE

Wednesday, 29 March 2017 at 6.00 p.m.

SUPPLEMENTAL AGENDA

	PAGE NUMBER	WARD(S) AFFECTED
7.1 New Housing Delivery Vehicles		
The Committee will receive a presentation on the development of New Housing Delivery Vehicles in Tower Hamlets	1 - 8	All Wards

"If the fire alarm sounds please leave the building immediately by the nearest available fire exit, to which a Fire Warden will direct you. Please do not use the lifts. Please do not deviate to collect personal belongings or vehicles parked in the complex. If you are unable to use the stairs, a member of staff will direct you to a safe area. On leaving the building, please proceed directly to the Fire Assembly Point situated by the lake on Saffron Avenue. No person must re-enter the building until instructed that it is safe to do so by the Senior Fire Marshall. The meeting will reconvene if it is safe to do so, otherwise it will stand adjourned."

If you require any further information relating to this meeting, would like to request a large print, Braille or audio version of this document, or would like to discuss access arrangements or any other special requirements, please contact:

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Housing Delivery Vehicles

Mark Baigent, Interim Divisional Director
Housing and Regeneration

Key drivers and purposes

- Increase housing supply
- Deliver social and living rents
- Secure long term supply of temp. accom.
- Generate GF savings and income
- Balance HRA new build and stock investment
- Make use of RTB receipts
- Make use of s106 cash-in-lieu
- Avoid unnecessary complexity
- Focus on speed of delivery

Delivery Options: Four-Fold Approach

HRA Acquisition
and New Build

GF Acquisition
and New Build

WOC Acquisition
and New Build

CBS Acquisition
and New Build

Options Appraisal

HRA

Use RTB receipts
Social/Living rents
Debt cap issue

GF

Use RTB receipts
Temporary accom.
GF savings

WOC

Commercial
Market rents
GF income

CBS

Use RTB receipts
Social/Living rents
Independent

WOC: Seahorse Homes Ltd

- Standard Articles of Association
- Shareholders Agreement limits Board decisions
- Private procurement, tax and State Aid applies
- LBTH equity plus loan at commercial rate
- GF income from loan margin and dividends
- Possible gift aid to cross-subsidise CBS
- Key constraint: RTB receipts cannot be used
- Initial phase: acquire homes to rent
- Later phases: new build in tandem with CBS

CBS: Mulberry Housing Society

- Charitable Community Benefit Society
- Lease land at discount (with covenants)
- LBTH lends at discount (with conditions)
- Grant RTB receipts and s106 (with conditions)
- Avoids tax and State Aid issues
- GF income from loan margin and lease charges
- Key constraint: LBTH minority on Board
- Society Rules – LBTH consent required
- Deed of Covenant – first refusal on disposals, 100% nominations, no mergers or new business

Summary

- Mixed approach, making use of all four delivery options, flexibility to tailor each opportunity to the best fit delivery option
- Single client/delivery teams servicing all options will provide economies of scale and greater cohesion and consistency
- Learning from RP transfers: Deed of Covenant with CBS and lease of land are key safeguards
- Role of Scrutiny: to hold the Executive to account as shareholder and funder

