

**SA422: HOUSING ECONOMICS AND FINANCE 2008/2009**

**Finance Topics 3: December 2008**

**Reinvesting in public sector housing**

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- 1 Describe the operation of revenue subsidies to local authority landlords in the UK. What steps has Government taken to (i) ensure that it has close control over the operation of local authorities' housing activities and (ii) provide resources for local authorities to reinvest in their stock.

*Reading*

Housing Finance Textbooks

<http://www.communities.gov.uk/housing/localauthorityhousing/housingrevenueaccount/>

- 2 The UK Government has encouraged local authorities to address the poor condition of their housing stock by transferring it to independent social landlords. From a housing finance perspective, why has the Government done this? Describe the principal financial features of the stock transfer process.

*Reading*

Housing Finance Textbooks

Public Accounts Committee Report on Stock Transfers:

[www.publications.parliament.uk/pa/cm200203/cmselect/cmpublicacc/590/59003.htm](http://www.publications.parliament.uk/pa/cm200203/cmselect/cmpublicacc/590/59003.htm)

National Audit Office report on stock transfer

[http://www.nao.org.uk/publications/nao\\_reports/02-03/0203496.pdf](http://www.nao.org.uk/publications/nao_reports/02-03/0203496.pdf)

ODPM stock transfer manual:

<http://www.communities.gov.uk/publications/housing/housingtransfermanual>

- 3 Describe the Private Finance Initiative as it applies to social housing in Britain. What do you think are its advantages over stock transfer as a means for re-investment in the housing stock?

*Reading*

See lecture handout

<http://www.communities.gov.uk/housing/decenthomes/publicationsaboutdecent/publicationsabouthousing/>

There will not be a Finance Class covering these questions in the Michaelmas term. This material will be the subject of a Seminar during the Lent term.

Each student is expected to submit two pieces of written material arising from the Housing Finance material in the Michaelmas term. For this week, these should address question (1) or (2).

Any written material can be submitted at the class itself, or by e-mail to [rachelandalastair@dulverton11.freeserve.co.uk](mailto:rachelandalastair@dulverton11.freeserve.co.uk). All work will be returned with comments the following week (a bit longer during the Christmas and New Year holidays).