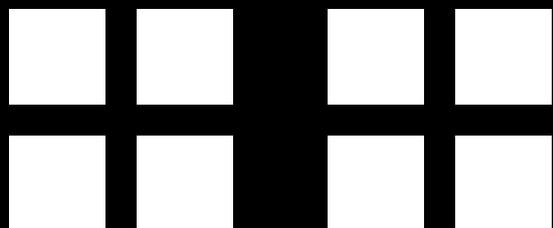


LOCAL HOUSING INNOVATIONS

The Best of Labour in Power



**2nd edition,
Spring 2017**

CONTENTS

04. Introduction by John Healey MP

06. Birmingham City Council

A council-owned company which built its 2,000th new home in 2016

08. Bristol City Council

Council makes domestic abuse victims top priority for social housing

10. Cambridge City Council

Interest-free loans of up to £25,000 to help bring empty properties back into residential use.

12. City of Bradford District Council

Preventing homelessness through private sector lettings

14. City of Wolverhampton Council

A Trip Advisor-style rating scheme for landlords – Rent with Confidence – to empower residents

16. Derby City Council

Improving access to housing for homeless and hard to reach young people

18. Exeter City Council

The council has set new ultra-high standards for healthy homes

20. Gateshead Council

A £350million public-private partnership delivering 2,400 homes

22. Gedling Borough Council

Focusing on smaller sites

24. Harlow District Council

A council company to run a range of housing maintenance and environmental services

26. Lancashire County Council

A joint venture with the council's pension fund

28. Liverpool City Council

A scheme to turn dilapidated terraced houses into desirable, energy efficient homes

30. London Borough of Barking and Dagenham

Right to invest, shared ownership of new homes for council tenants

32. London Borough Of Croydon

A council-owned housing development company aggregating smaller sites for new homes

34. London Borough of Enfield

Cost-effective temporary accommodation for homeless people

36. London Borough of Islington

Building genuinely affordable homes at scale

38. London Borough of Newham

A wholly-owned commercial development company to stimulate private rent and sale

40. Manchester City Council

A partnership with Greater Manchester Pension Fund has built 240 new homes

42. Reading Borough Council

£30 million investment in the council-owned housing company Homes for Reading to meet affordable housing needs

44. Warrington Borough Council

One of the first local authority mortgage schemes, which underwrote £22.7 million of mortgages

INTRODUCTION

When Labour is in opposition at Westminster, the best hope for millions of people is our elected Labour politicians at a local level. Our Labour candidates, councillors, councils and Mayors provide a Labour voice and presence right across the country – including in those towns and cities where there isn't a Labour MP for 100 miles.

But Labour in local government isn't just a source of representation, it's a demonstration of Labour priorities to meet housing need, support mixed communities and give working people the chance to fulfil their aspiration of home ownership.

And as this report shows, when Labour is in power it is often also a cradle of fresh ideas and innovative policies. In housing and planning Labour councils are applying our established values locally in new and inspirational ways.

To provide a forum for this fresh thinking I set up the Labour Housing and Planning Innovation Network in 2015 in my role as Shadow Secretary of State for Housing and Planning. The network now counts leaders, cabinet members and opposition leads from nearly 100 local authorities as members.

This publication draws upon some of the innovations from this network of local authorities from all over England.

Given the scale of the problem that people face with the cost and condition of homes right across the country, this new Labour thinking would always be important. But given the huge cuts to public funding for housing and regeneration over the last seven years, and failing national policy on almost all fronts – from rapidly rising homelessness to lower homeownership and soaring private rents, to the lowest level of new affordable housebuilding for 24 years – it is now imperative.

Last year, there was no central government investment in new general social rented homes, breaking a political and policy consensus that stretches back a century to the 1919 Addison Act.

Despite this straight jacket of nationally-directed policy and funding cuts, the range of locally-led housing innovations in this report is remarkable. What follows is a top-20 pick of housing innovations by Labour-led councils nationwide.

It features councils both with and without their own council housing. It features councils with ground-breaking programmes in partnership with housing associations, developers, investors, lenders, landlords, other

public agencies and community groups. And it features councils of all types, in all parts of England, with one thing in common – in each and every case, they are led by Labour.

My thanks to the leading members and officers from each of the councils who took the time to tell us about what they are doing and to Toby Fox of 3Fox International, on whose work I've drawn in producing this publication. And special thanks to Hannah Phillips, Joe Corry-Roake and Paul Coleman who did much of the groundwork to pull together this collection.

I hope that it will be a useful reminder to Labour members and supporters of the good we can do in government and a source of inspiration to colleagues in councils and across the wider housing sector.

These are ideas that can change lives, and show the difference Labour in power can make.

John Healey MP

BIRMINGHAM CITY COUNCIL

Housing innovation: a council-owned company which built its 2,000th new home in 2016

Birmingham City Council is the biggest housing provider in the UK's second city, delivering 30% of all new homes. Birmingham Municipal Housing Trust (BMHT), the council's branded delivery vehicle, completed 240 new council homes for rent and 191 new homes for sale between April 2014 and March 2015.

BMHT achieved a major landmark by building its 2,000th new home in 2016, 1,125 having been built for rent and almost 875 for sale since the council launched the programme. The company has more than 200 rented homes under construction on 17 sites and plans to build another 1,800 homes for sale and rent by 2020.

Over 1,100 of BMHT's homes are for social rent and affordable rent, with the remainder for market sale. Affordable rent homes are levied at 70-71% of market rents. Profits from sales are recycled so BMHT can build more new homes.

"We design all of our housing in partnership with our developer contractors," says Clive Skidmore, the council's head of development. "We don't think the house types offered by larger housebuilders are good enough. So the council and our contractors learn from each other to deliver improved new types of homes."

Other BMHT developments are sprouting on 20 sites across the city, from schemes of up to 300 units to smaller projects such as one for 13 rental homes and 12 market sale homes at Dimmingsdale Bank in Quinton, delivered in June 2014 on the council-owned site of an obsolete day care centre.

BMHT's Holland Street development at Sutton Coldfield, completed in 2014, comprised 11 houses and 11 apartments with generous balconies or gardens, built and sold directly by BMHT. Recycled profits funded new homes for rent. The three-phase Abbey Fields scheme at Erdington has delivered 143 mixed tenure homes with more to follow.

A partnership between BMHT, the Homes and Communities Agency and Keepmoat is developing Horizon, a scheme of 168 homes, including 60 for council rent, plus a public square and other facilities.

Another BMHT partnership has Westleigh building 44 affordable one and two-bed homes, in Kings Norton, to be let by Viridian Housing. Construction started in November 2015 with financial support from the Homes and Communities Agency.

The BMHT programme has created more than 300 training apprenticeships, and 40 young people have been supported through a scholarship programme.

Challenges for 2017-'18 include an ambitious sales programme, as well as completing a scheme in Jarvis Road in the autumn and starting work on the

Meadway Programme of 127 properties in June. BMHT is also developing a collection of small sites and a project in Farnborough Road for about 100 houses.

"Government has reduced grant for genuinely affordable homes and is now prioritising owner occupation," says Skidmore. "And we saw that, from 2009, the supply of new market sale and rent homes wasn't enough.

"So, we just started to build them ourselves, creating cross-subsidies to build larger homes for families on our waiting lists and build new mixed-tenure communities."

FACT FILE

Estimated Population 2015	1,111,307
Projected Population 2039	1,304,700
Households (2011)	410,736
Owner Occupied	55%
Privately rented	18%
Council and social tenants	24%
Median Gross Annual Income (2016)	£21,646
Median House Price (2016 Q3)	£150,000
Median Monthly Private Rented Sector (2016)	£650
Local Authority housing waiting list (2016)	15,110
Housing benefit claimants (November 2016)	111,003

Key contact:

Councillor Peter Griffiths, cabinet member for housing and homes

peter.griffiths@birmingham.gov.uk

Housing innovation: council makes domestic abuse victims top priority for social housing

Victims of domestic abuse judged to be at risk will be given the highest priority for social housing thanks to an amendment to the HomeChoice Bristol scheme.

Homechoice is used to prioritise households seeking affordable social rented housing within Bristol. The scheme determines the allocation of Bristol City Council's social housing and that of other social landlords in the city. Households applying to Homechoice must meet eligibility criteria to be placed in one of four bands, according to level of need, band one being the highest priority.

In March this year the council's cabinet agreed that survivors of domestic abuse at high risk should be moved into the top band of the housing register for three to six months. Active bidding (bidding flexibly every week on Homechoice for three properties, subject to the availability of suitable properties) during that period will generally deliver a social rented property in a part of the city outside the area deemed unsafe for the household. Rehousing from band two takes several months, depending on bedroom size and the size of the area deemed unsafe for a household. The aim is to reduce that to a matter of weeks for victims of domestic abuse, by allocating them to band one.

The new policy followed consultation with people who have already been placed by the council, some currently in the process, and agencies and charities working with domestic abuse victims. People fleeing domestic abuse are placed in temporary accommodation, pending rehousing. Under the new proposals, victims are then the subject of a multi-agency risk assessment conference (MARAC). Where the outcome is a judgement that risks to the victim cannot be reduced and the severity of the risk is confirmed, victims will be placed in band one. The council estimates that the change will move 25-50 households a year from band two into band one.

Marvin Rees, Mayor of Bristol, says: "We've been working closely with partners and campaigners to look at this issue in detail. This was a priority of mine before I came to power, and I was glad to take forward the council motion to look at the housing priority for these victims. Everyone in Bristol should have a house that they feel safe in."

"It is a sad truth that many people in Bristol are still living in fear and we need to work together to support them and help people rebuild their lives – having a home to call their own is a vital part of this.

"We want to significantly reduce the length of time it takes to rehouse high risk victims of domestic abuse and at the same time increase the availability of refuge and safe house places so more households can benefit from this safe and supportive environment."

FACT FILE

Estimated Population 2015	449,000
Projected Population 2039	546,000
Households (2011)	182,747
Owner Occupied	54%
Privately rented	24%
Council and social tenants	20%
Median Gross Annual Income (2016)	23,812
Median House Price (2016 Q3)	237,000
Median Monthly Private Rented Sector (2016)	850
Local Authority housing waiting list (2016)	9,784
Housing benefit claimants (November 2016)	35,921

Key contacts:

Councillor Paul Smith, cabinet member for housing

cllr.paul.smith@bristol.gov.uk

Gillian Douglas, head of housing options

gillian.douglas@bristol.gov.uk

CAMBRIDGE CITY COUNCIL

Housing innovation: interest-free loans of up to £25,000 to help bring empty properties back into residential use

Cambridge City Council developed a new scheme designed to offer interest-free loans to owners of empty properties to bring them back into residential use.

Cambridge has approximately 379 properties recorded as having been empty for over six months, with 56 of them unused for more than two years. This is against a backdrop of high demand for affordable housing.

Empty homes are not just a wasted resource (in terms of housing unavailable for people to live in); they can also have a negative impact on surrounding communities – and may be a financial burden to their owners. So the council has committed itself to an Empty Homes Policy and a dedicated full time officer whose remit covers education, support and enforcement.

Loans of up to £25,000 are available to carry out essential renovation works such as installing a boiler, or improving bathrooms and kitchens, to bring a property to a suitable condition to be let. Loans are secured against the property until fully repaid. The council is funding loans by recycling an existing, ring-fenced pot of money so there is no additional cost. That fund came from an historic CPO, of an empty property, from which the owner never made a claim - the council designated the money for bringing empty homes back into use.

To qualify for a loan, the homeowner must agree to the property being rented at an affordable rate (80% of the median rent, according to the most recent Hometrack data). The letting must be managed by Town Hall Lettings, which is the council's not-for-profit lettings agency, or a similar housing provider, for a minimum of two years. Loans are paid off within either two or five years.

The council foresees additional benefits to bringing homes back into use, such as countering health inequalities caused by poor housing conditions.

Furthermore, applications for loans for converting commercial units to residential units will be considered, for commercial properties that have been vacant over one year, dependent on local housing need and planning regulations

Councillor Kevin Price, executive councillor for housing at Cambridge City Council, says: "I would appeal to anyone in the city with a property that is empty to get in touch with us to see how we can help them turn it into a much-valued home for a family, couple or individuals.

"There are many reasons why homes may be standing empty but they can often be a burden for their owners, as well as having a negative impact on neighbourhoods.

"The proposed loan scheme for empty homes is another innovative way in which the council is trying to address the shortage of affordable homes in Cambridge. We have already helped bring 33 properties back into use [before the scheme's

introduction] in the past nine months and would like to see this figure increase even more."

Danae Evans, the council's empty homes officer, adds: "We feel that the loans scheme could provide initial offers/amounts for up to seven owners at a time. After that we would need the funding pot to be re-filled by the rental income. We know it won't be an easy sell but we think we are offering owners a positive incentive, which hasn't been available to us previously.

"The hope is that we will not only bring more homes back into use, but also see some of those homes offering affordable accommodation options which are really needed in Cambridge."

FACT FILE

Estimated Population 2015	130,000
Projected Population 2039	148,000
Households (2011)	46,714
Owner Occupied	47%
Privately rented	26%
Council and social tenants	24%
Median Gross Annual Income (2015)	26,075
Median House Price (2016 Q3)	£415,000
Median Monthly Private Rented Sector (2016)	1,100
Local Authority housing waiting list (2016)	2,193
Housing benefit claimants (November 2016)	7,216

Key contacts:

Councillor Kevin Price, executive councillor for housing

kevin.price@cambridge.gov.uk

Danae Evans, empty homes officer

danae.evans@cambridge.gov.uk

CITY OF BRADFORD METROPOLITAN DISTRICT COUNCIL

Housing innovation: preventing homelessness through private sector lettings

The council is keen to maximise private rented housing options for residents in housing need, but in a way that meets its quality standards. The Private Sector Lettings Scheme, established in November 2015, offers a free tenant-finder service to help match Housing Options customers with private landlords.

Bradford Council's Housing Options service deals with over 7,000 households a year, many at risk of homelessness, or needing help to find or sustain a suitable home. The council works with social landlords across the district, but in some areas few suitable social rented homes are available and there is a growing need to look to the private rented sector.

The private rented sector has grown exponentially in Bradford over the last ten years, overtaking the social rented sector and accounting for about 18% of total housing stock. The sector is characterised by many small-scale landlords, and a proliferation of pre-war terraced housing stock, particularly in the inner urban areas. Rents are comparatively low, or on a par with social rents, particularly for older terraced stock, where there is also a prevalence of low quality standards.

To maximise private rented housing options for customers in housing need, in a way that meets its quality standards, the council introduced the Private Sector Lettings Scheme in November 2015.

The scheme matches Housing Options customers to private landlords through a free tenant-finder service. Other than staffing costs, it has cost the council about £40,000 to implement. The vast majority of this cost goes towards rent in advance payments, which are recouped from discretionary housing payments.

All types of households (families, couples, single people) are eligible for the scheme, which identifies landlords who are willing to let their properties to Housing Options customers, and can offer encouragement through incentives such as four weeks' rent in advance.

Before a property can be accepted onto the scheme, it must pass a full health and safety inspection undertaken by the council, and landlords must provide all required certification. All properties on the scheme are let on assured shorthold tenancies, at rents no higher than the current Local Housing Allowance.

Landlords retain full management and repair responsibility for their properties, but the council helps to ensure the tenancy is conducted satisfactorily and rent paid regularly.

Since the scheme was established 1,194 households have been incorporated. Around half of these have been offered private rented accommodation, resulting in 222 new tenancies. Of those, over 56% have been sustained for six months or more. A number of placements have enabled homeless households to move out of temporary accommodation, and many more have prevented households from

becoming homeless in the first place. Furthermore, every successful placement has been into a home which has been inspected to confirm it meets health and safety standards.

With further anticipated growth in housing demand, particularly to help prevent and relieve homelessness, the council is looking at ways in which it can enhance the scheme and provide further incentives to landlords such as a damage-waiver guarantee or rent guarantee.

The initiative has been well-received by landlords: nearly 50 of them attended a free housing law training session offered as part of the scheme.

Bradford Council's deputy leader and portfolio holder for health and wellbeing, councillor Val Slater, said: "We want to do everything we can to try and reduce homelessness and fill empty homes in the district. By pairing landlords and tenants together, this scheme speeds up the process of renting private accommodation. We are sure it will make a positive contribution to fulfilling the council plan priority of helping to provide decent homes that people can afford to live in."

FACT FILE

Estimated Population 2015	531,000
Projected Population 2039	583,000
Households (2011)	199,296
Owner Occupied	65%
Privately rented	18%
Council and social tenants	15%
Median Gross Annual Income (2016)	20,481
Median House Price (2016 Q3)	128,000
Median Monthly Private Rented Sector (2016)	475
Local Authority housing waiting list (2016)	11,385
Housing benefit claimants (November 2016)	38,708

Key contacts:

Councillor Val Slater, deputy leader and portfolio holder for health and wellbeing

val.slater@bradford.gov.uk

Sarah Holmes, access to housing manager

sarah.holmes@bradford.gov.uk

CITY OF WOLVERHAMPTON COUNCIL

Housing innovation: a Trip Advisor-style rating scheme for landlords – Rent with Confidence – to empower residents

A landlord rating scheme, using a Trip Advisor-style 0-5 scale applied by City of Wolverhampton Council, called Rent with Confidence, was launched in October 2016 to help residents avoid inept and rogue landlords.

Good landlords gain by being able to promote their rating; tenants are enabled to make informed choices about potential landlords and agents, and are able to share an online comment forum moderated by the council.

Since its launch, 606 properties and 198 landlords/agents have already registered and been rated. The impact is already being seen: nine five-star, self-assessed student landlords have had to upgrade their fire alarm systems in order to comply with Homestamp guidance.

Rent with Confidence (RwC) is also working on processes to improve housing conditions for those awaiting hospital discharge, to help alleviate 'bed blocking'. And it is working with a domestic abuse project in the rented sector to assess the conditions of vulnerable tenants who are at risk of domestic violence and exploitation.

Councillor Peter Bilson, deputy leader and cabinet member for housing and city assets, says: "Standards need to be improved across the board and we need to stop the exploitation of people whose choices are limited.

"This five-star system is both innovative and already making a real difference to improve the quality of private sector rental property in Wolverhampton as we continue to regenerate the city."

RwC follows a five-year selective landlord licensing scheme in All Saints, an area of pre-1919 terraces, which included a court case to rebut judicial reviews challenging the scheme. The programme was successful and improved engagement with landlords.

But council housing officers understood that licensing and accreditation schemes are problematic. Tenants in sub-standard properties or ill-treated by landlords have limited opportunities to take action, and enforcement action by the council is retrospective and resource-intensive.

"We reached a point where enough was enough," says Lesley Williams, service manager for private sector housing at City of Wolverhampton Council, noting that good landlords as well as tenants were urging the council to take further action.

Williams devised the star-rating scheme, inadvertently reviving an approach successfully implemented in the 1960s and '70s. Only properties rated three-stars or higher will be advertised to tenants on the RwC online portal (<http://www.rentwithconfidence.org.uk/Housing>).

The plan is to rate all landlords and agents in the city within seven years. The council is continuing to develop the site, with ambitions to have more health information such as mapping of local GP practices and dentists, and to enable tenants to provide a feedback score.

Landlords are allocated points, chiefly on the basis of the condition of properties, their management, and legal compliance with licensing requirements and safety standards. Points accumulate to determine the rating. Landlords and letting agents who do not seek a rating or who refuse to comply with advised or directed measures to improve their rating will be subject to enforcement action.

In the first phase, landlords are self-assessing and council officers are awarding a provisional rating which is verified and, where necessary, adjusted by visiting the properties. The council aims to randomly inspect 10% of properties owned by experienced, portfolio landlords. Those needing help will be offered improvement plans and advice. New and incidental landlords will be offered training to improve their rating. That includes encouraging them to thoroughly reference prospective tenants.

"Nobody would simply hand over the keys to their car to a stranger," says Williams. "But many landlords sign tenants up without proper checks and hand over the keys to their house. Tenants will have to moderate their behaviour and pay their rent rather than flit from landlord to landlord. And RwC will encourage landlords to do the right thing all the time."

FACT FILE

Estimated Population 2015	254,406
Projected Population 2039	288,000
Households (2011)	102,177
Owner Occupied	57%
Privately rented	13%
Council and social tenants	28%
Median Gross Annual Income (2016)	£20,100
Median House Price (2016 q3)	£132,500
Median Monthly Private Rented Sector (2016)	£500
Local Authority housing waiting list (2016)	5,511
Housing benefit claimants (November 2016)	20,100

Key contacts:

Councillor Peter Bilson, deputy leader and cabinet member for housing and city assets

peter.bilson@wolverhampton.gov.uk

DERBY CITY COUNCIL

Housing innovation: improving access to housing for homeless and hard to reach young people

Derby City Council is at the heart of a partnership programme called **Ambition East Midlands**, which aims to improve accommodation options and employment prospects for homeless young people often seen as “too hard to help”.

“Without Kirsty from Ambition, I’d be lost,” says Jay. “I’ve found all my courage through Ambition.” This joint project between the council, the YCMA and Derby Homes focuses on finding homes for young people “sofa surfing” or living on the streets.

“I’ve moved home 22 times and I’m only 19,” says James, another young person to gain from this project. “So, for me, it’s been a struggle, but Ambition accommodated me within a week and rekindled my hope. I actually feel now I’m an adult. I go shopping now and come back with washing powder and fabric softener. Ambition makes you realise what you need to do as an adult.”

Josh “sofa surfed” and lived on the streets but received instant help from Ambition. “I’m in a heated property and I’ve found employment,” he says. “I really like the working mind-set, getting up at a certain time and being able to plan my life around my work. And having the money is also good.”

Derby City Council leases flats to YMCA Derbyshire for this pilot project. The flats accommodate these young people. There are a number of reasons why homeless young adults are unable to access housing, including limited bed spaces, affordability issues, lack of shared housing provision and the complexity of their needs. This often leads to deepening issues such as involvement in crime, rough sleeping, substance misuse and long term benefit dependency. Early intervention is needed to prevent young homeless people developing higher needs and falling into long term homelessness.

Derby Homes helps young people like Jay, James and Josh to sustain their tenancies and Ambition helps them gain new skills for independent living over a three-year period as well as access support they might need with budgeting, cooking, health, relationships, and dealing with drug and alcohol addiction.

“Each young person client has an individual link worker,” says Ambition (YMCA) project manager Sarah Ellis. “They help these young people with day-to-day living issues that most of us take for granted.”

Ambition East Midlands is a partnership project being run by the YMCA Derbyshire, P3 and The Y charities. The project successfully attracted £2.95 million from the Fair Chance Fund which is a national payment by results government initiative and was launched in January 2015. The scheme ends in January 2018.

FACT FILE

Estimated Population 2015	254,251
Projected Population 2039	1,304,700
Households (2011)	410,736
Owner Occupied	55%
Privately rented	18%
Council and social tenants	24%
Median Gross Annual Income (2016)	£21,646
Median House Price (2016 q3)	£142,000
Median Monthly Private Rented Sector (2016)	£650
Local Authority housing waiting list (2016)	15,110
Housing benefit claimants (November 2016)	111,003

Key contact:

Councillor Martin Rawson, deputy leader and cabinet member for communities and city centre regeneration

martin.rawson@derby.gov.uk

Housing innovation: the council has set new ultra-high standards for healthy homes

New homes being built under the auspices of Exeter City Council must now meet three pillars of environmental responsibility. Firstly, they must be low energy, matching Passivhaus standards to reduce energy demands by up to 90% compared to standard UK buildings. Secondly, new homes must be healthy, adhering to German ‘Build Biology’ principles which specify natural and unadulterated building materials that don’t release any toxins. They must also use building materials with the lowest radioactivity and protect against noise, vibration and pollution.

Firstly, they must be low energy, meeting the Passivhaus standard to reduce energy demands by up to 90% compared to standard UK buildings. Secondly, new homes must be healthy, adhering to German “Building Biology” principles which specify natural and unadulterated building materials that don’t release any toxins. They must also protect against noise, vibration and pollution. And, finally, they must be climate-ready up to the year 2080. All designs are run through Prometheus weather file data, a University of Exeter project looking at long-term climate changes.

Exeter City Council says these standards can be attained at good value for money: build costs for Passivhaus homes are reportedly comparable to those incurred by housing associations.

Exeter’s first generation of homes to incorporate Passivhaus energy reduction standards arose on two former garage infill sites in 2009, one with three flats and the other providing 18 one and two-bed flats, all designed to Lifetime Home standards for residents aged over 60. Three more sites were completed in 2015 taking the total number of completed homes to 41. There is a further scheme of 26 flats which is due for completion in October 2017.

The council had prioritised tackling fuel poverty and providing thermal comfort and high indoor air quality for tenants, says Emma Osmundsen, its shadow director (development) and client lead (build). With external mounted insulation, 50% of residents say they have never needed to switch on their heating.

These schemes took the council and contractors on a steep learning curve, for which Exeter City Council developed a new environmental contractor’s framework. “Other local authorities are interested in what Exeter is doing with Passivhaus and the other environmental factors,” adds Osmundsen. “We’re also setting up a development company within the council to develop at greater scale. This will be able to advise and train other local authorities and even develop Passivhaus buildings for them via a joint venture.”

The council is embarking on the country’s first Passivhaus extra care scheme, a £10.85 million development on the former St Loyes college site. Older people will live independently in 53 self-contained apartments with levels of support

varying according to need. The scheme, which will be one site by the end of 2017, will benefit from high levels of thermal comfort and high indoor air quality throughout the year.

The four and five-storey development, designed by Architype, will include a rain and drought garden that can cope with predicted future dry and stormy weather. The landscaped environment will cool the development internally and externally.

“By 2030, we expect an additional 7,000 older people in Exeter and a third will be over 85,” says councillor Rob Hannaford, portfolio holder for place. “There are currently no extra care schemes in the city and this will be the first, much needed one.”

Exeter City Council directly manages the Passivhaus homes and will manage the new extra care scheme. The council negotiated a freehold site for the build and received a £6 million capital contribution from the developer. “It made more sense for Exeter to develop and manage the scheme ourselves than offer it to a registered provider, maintaining it as an asset within the Housing Revenue Account,” says Osmundsen.

FACT FILE

Estimated Population 2015	127,308
Projected Population 2039	145,400
Households (2011)	49,242
Owner Occupied	60%
Privately rented	21%
Council and social tenants	17%
Median Gross Annual Income (2016)	£21,052
Median House Price (2016 q3)	£224,125
Median Monthly Private Rented Sector (2016)	£745
Local Authority housing waiting list (2016)	5,403
Housing benefit claimants (November 2016)	8,206

Key contact:

Councillor Rob Hannaford, portfolio holder for place

cllr.rob.hannaford@exeter.gov.uk

GATESHEAD COUNCIL

Housing innovation: a £350million public-private partnership delivering 2,400 homes

The Gateshead Regeneration Partnership (GRP) is a £350 million initiative established in 2012 to deliver 2,400 new high-quality, spacious and airy homes, in new neighbourhoods over the next 15-20 years on 19 brownfield sites covering 70 hectares. A quarter of the new homes will be affordable, another two-thirds rented and the rest offered for shared ownership.

Residents have already moved into 16 affordable rent homes managed and maintained by Home Group on Avon Street; 194 new, highly energy efficient homes at a “super sustainable suburb” at Birtley; and the Trilogy I development of 99 homes at Bensham is well underway, with 135 homes to follow in a second phase. All homes will exceed current space and design standards and will attain, as a minimum, level 4 of the Code for Sustainable Homes, as well as meet Lifetime Homes, Secure by Design, and Homes and Communities Agency standards.

“The GRP has provided a practical means to see new homes built in really long-established communities across Gateshead,” says Councillor Liz Twist, cabinet member for housing. “These are on brownfield sites which would have been difficult to regenerate without government funding or by leaving it to the market.

“Absolutely central to the scheme is the ability to provide shared ownership and social housing within the partnership and to benefit our local economy by guaranteeing employment and training for local people and supply-chain opportunities for local businesses with houses built to a high design, space and construction standards. It’s good to see that there has been a high demand for the homes which have been built so far. “We’ve really focused on developing a range of different ways in which we can build high quality homes in our community for rent and for sale and we are really proud that we still have our council housing, too, which is a key part of our housing strategy.”

At the Freight Depot, a community that is committed to sustainable practices will share food grown by residents and a local shop will sell regional produce. A shared car scheme will also operate. Residents created an Urban Design Reference Group that helped to develop master plans for their local areas, part of the GRP’s emphasis on neighbourhood planning and high-intensity community engagement.

The GRP is a 50/50 partnership between Gateshead Council and Evolution Gateshead, itself a coalition of developers Galliford Try and Home Group. The Council identifies and releases its own land to the GRP, but makes no cash investments or gap funding; the developers provided £25 million of development finance, with Galliford Try building the new homes and Home Group managing them.

“There’s an overage element once sites are built out, loans repaid and the developers get their return,” says Jonathan Dunk, Gateshead Council’s joint venture project manager. “If ongoing sales values increase and generate higher than expected profits – or the homes are simply built more cheaply – Gateshead Council secures 50% of that super-profit as a shareholder and can use or reinvest that profit.”

Ward councillors are engaged in the process to identify opportunity sites. Current site capacities range from 15 homes to 320. Dealing with smaller sites, the GRP bundles two or three together to make development viable, especially where remediation is required or hilly topography is problematic.

“The JV offers an important route to the market,” says Andrew Marshall, service director for economic and housing growth. “Culturally, our officers gain commercial experience and our commercial partners get a better understanding of what is a meaningful level of social housing – and of our obligations as a planning authority.”

Should other councils follow Gateshead’s path? “Gateshead Council is not all about the JV even though it’s an important route to the market,” says Marshall.

“And a JV can be a protracted process. Ours began way back in 2006 so political support is critical. Be prepared to take risks. Engage with ward councillors and integrate the JV at ground level with local people.”

FACT FILE

Estimated Population 2015	200,996
Projected Population 2039	211,500
Households (2011)	89,154
Owner Occupied	58%
Privately rented	12%
Council and social tenants	28%
Median Gross Annual Income (2016)	£21,276
Median House Price (2016 q3)	£128,000
Median Monthly Private Rented Sector (2016)	£500
Local Authority Housing Waiting list (2016)	7,582
Housing benefit claimants (November 2016)	20,158

Key contact:

Councillor Liz Twist, cabinet member for housing

cllr.ltwist@gateshead.gov.uk

GEDLING BOROUGH COUNCIL

Housing innovation: focusing on smaller sites

Gedling Borough Council's core strategy includes details of proposed sites for 7,250 homes to be built in this area north of Nottingham by 2028, most of them urban but some in surrounding rural areas. Half of these sites have been built or granted planning consent. Now the council is focusing on smaller sites to achieve its target.

Portfolio holder for growth and regeneration, Councillor Jenny Hollingsworth, says: "This is a significant document that has taken a long time to put together. We've made sure that the decisions made in the plan have been made using robust evidence and with great care. This is a plan that will ensure Gedling continues to grow and develop and provide people with all-important homes."

Among Gedling's challenges is the number of smaller sites, requiring an imaginative approach (and some government funding) to transform them into housing schemes. Among the sites earmarked for development are: Teal Close, Top Wighay Farm, Papplewick Lane, Bestwood Village, Calverton, Ravenshead and other villages.

Alison Bennett, Gedling's housing services manager, describes a programme that includes the delivery of six town houses on a former play area in Netherfield, in partnership with Nottingham Community Housing Association. Work also began in 2016 on 40 new affordable rent and shared ownership homes on a former pub site on Cavendish Road in Carlton.

Up to 12 two-bed flats, including government-funded Starter Homes, are to be delivered at The Grove, another small but complicated council-owned site in Carlton, the former rehearsal space for the popular Carlton Brass Band. The musicians were found an alternative site allowing the negotiated early end to the lease of their ageing and tired building. "We use the Carlton Brass Band at civic events, so we'd shied away from moving them from where they'd been based for 40 years," says Bennett.

"But then I stood up in front of them, a music stand in front of me, to explain why we needed them to move. The band is now in much better and secure premises and Gedling was able to access Starter Homes funding. It's a really good solution and a very desirable location to build new homes."

Former pub sites have been acquired, one for 18 one-bed apartments and a pair of two-bed semi-detached homes, all for social rent; and another to host 41 units, including two-bed flats and four-bed houses with a percentage as shared ownership to make this hillside site viable.

Gedling is looking at a range of tenures to house key workers and families in need, including 900 on the council's Housing Register who are not served by the Starter Homes offer. Only 300 lettings are made a year, mostly for older persons' bedsits rather than the much-needed two-bed family homes.

Over 22,000 people in Gedling are aged over 65 and this is expected to increase to 26,000 by 2020. The population aged over 85 is expected to increase by a third over the same period. People will be able to remain in their Gedling homes longer but the council is still planning specialist housing – and the rise in people with dementia is expected to present further challenges in the third decade of the 21st century. "Gone are the days when we could rely solely on Section 106," says Bennett. "We've got to be more creative."

FACT FILE

Estimated Population 2015	115,889
Projected Population 2039	133,400
Households (2011)	49,349
Owner Occupied	75%
Privately rented	13%
Council and social tenants	10%
Median Gross Annual Income (2016)	£21,986
Median House Price (2016 q3)	£152,000
Median Monthly Private Rented Sector (2016)	£550
Local Authority housing waiting list (2016)	1,044
Housing benefit claimants (November 2016)	5,960

Key contacts:

Councillor Jenny Hollingsworth, portfolio holder for growth and regeneration

cllr.jenny.hollingsworth@gedling.gov.uk

Alison Bennett, service manager housing

alison.bennett@gedling.gov.uk

HARLOW DISTRICT COUNCIL

Housing innovation: focusing on smaller sites

Housing innovation: a council company to run a range of housing maintenance and environmental services.

HTS (Property and Environment) Limited, the newly formed company set up by Harlow Council to serve Harlow residents with their housing repairs and maintenance needs, as well as look after the town's environment, went live on 1 February 2017, with 300 staff transferred from the previous service provider.

HTS is now providing frontline services such as street cleaning, grass cutting and repairing and maintaining over 9,000 directly managed council homes. The council believes that value for money and customer satisfaction will be achieved through leaseholder and tenant forums, and a clear problem-reporting line to a politically balanced shareholder sub-committee.

In its first year, HTS expects to deliver 30,000 repairs, 9,000 gas services, over 200 new kitchen fittings and 100 boiler installations; it will maintain four million square metres of grass.

The council has saved itself the expense of a tender process, following the expiry of its previous, outsourced contract. Operational savings and profits generated by HTS will be split between reinvestment in the company and returns to the council to support other services.

HTS believes it can reduce the council's overhead by three per cent. By the end of financial year 2019-'20, HTS aims to return a pre-tax profit of £1.5 million to the shareholder, with a further £1.5 million to be reinvested in the business.

Harlow Council and HTS are Living Wage Foundation accredited living wage employers, the council claiming to be the first in Essex to gain this status. HTS aims to retain as much public money as possible within the Harlow economy, examining its supply chain to maximise the use of local businesses, and taking on local apprentices. It pledges to work with local subcontractors wherever possible, and to ensure that over 65% of its workforce are from Harlow, with apprentices recruited to fill one in every three vacancies up to a maximum of 10 apprentices by the end of this financial year. HTS will also work with schools to provide work experience places for local schoolchildren each year.

Harlow Council leader, councillor Jon Clempner, says: "We are constantly looking for ways to deliver better services, with ever decreasing funding, and setting up the local authority trading company is one example of contributing to both. We are now able to ensure that more of the council's spend is kept in the local economy, benefiting residents and local businesses, as well as the prospect of even better services for the town I love."

FACT FILE

Estimated Population 2015	85,000
Projected Population 2039	103,000
Households (2011)	34,620
Owner Occupied	56%
Privately rented	11%
Council and social tenants	31%
Median Gross Annual Income (2016)	23,599
Median House Price (2016 q3)	255,000
Median Monthly Private Rented Sector (2016)	825
Local Authority housing waiting list (2016)	2,580
Housing benefit claimants (November 2016)	7,458

Key contacts:

Councillor Jon Clempner, leader

jon@clempner.com

Andrew Murray, service manager housing

andrew.murray@harlow.gov.uk

Housing innovation: a joint venture with the council's pension fund

Heylo is a private company established in 2014 as a joint venture between Lancashire County Council, Lancashire County Pension Fund and a team of affordable housing professionals, to provide new affordable homes exclusively for shared ownership. Guinness Housing Association provides leasehold management services, including customer engagement and income collection, under what is described as a long-term lease.

The pension fund injected an initial £180 million, of which more than a third is invested already and the rest committed. In 2016, the pension fund provided another £120 million. Heylo bought over 500 properties in 25 local authorities in its first year, including a portfolio developed by affordable housing company Bellway Housing Trust and £9 million of properties from Bovis Homes.

Heylo now provides more than 800 affordable homes across 84 local authorities and expects to double that by the end of 2017. And it is seeking to raise another £500 million through a bond issue targeting pension funds, both local authority and corporate. Governance and longterm consistency are key to institutional investment. Hence the focus on shared ownership homes, with industry standard form leases, and longterm contracts with suppliers. Guinness Housing Association is registered with the Homes and Communities Agency and Heylo is supervised by Internos Global Investors, which is in turn regulated by the Financial Conduct Authority.

The bond issue will fuel further development under the Home Reach contract model, which sees developers build and sell shared-ownership homes and simultaneously sell the landlord's position in the leases to Heylo, via a framework of contracts designed to operate across multiple sites over several years. Heylo is partnering with developers to deliver more than 4,000 properties over the next three years.

Home Reach provides developers with full control over construction, specification, delivery and sales. It also enables them to viably meet their Section 106 obligations by working with an approved affordable housing provider, but one unaffected by recent legal changes to the housing association sector model. Depending on the initial share purchased by a customer this Section 106 solution delivers typically 80% of market value, as the housebuilder takes the sales risk and retains developer profit which might otherwise be used by housing associations to fund other activities. Heylo believes that it could deliver more than 20,000 affordable homes over the next three to five years.

Commenting on the Lancashire County Pension Fund's second tranche of investment, Heylo chief executive Nicholas McAlpine-Lee says: "As our joint venture partner and cornerstone investor, this additional funding affirms the excellent progress we have made over our first 15 months and supports Heylo's

continued desire to do all that it can to deliver affordable shared ownership housing to communities across the country."

FACT FILE

Estimated Population 2015	1,191,691
Projected Population 2039	1,254,500
Households (2011)	496,299
Owner Occupied	71%
Privately rented	15%
Council and social tenants	12%
Median Gross Annual Income (2016)	£21,140
Median House Price (2016 q3)	£146,500
Median Monthly Private Rented Sector (2016)	£500
Local Authority housing waiting list (2016)	27,055
Housing benefit claimants (November 2016)	75,741

Key contact:

Councillor David Borrow, deputy leader and cabinet member for finance

david.borrow@lancashire.gov.uk

LIVERPOOL CITY COUNCIL

Housing innovation: a scheme to turn dilapidated terraced houses into desirable, energy efficient homes

Liverpool City Council is working with local people and specialist developers to turn neighbourhoods of dilapidated terraced homes into desirable places to live. The pilot scheme is transforming 35 properties into 25 energy efficient homes on High Park Street and Veolas Street, in Princes Park. These neighbourhoods are in the Welsh Streets area of Liverpool, previously designated for a “demolish and rebuild” regeneration scheme under Housing Market Renewal.

Following the termination of that programme after the 2010 General Election, specialist development company PlaceFirst signed an exclusivity deal with the council in 2016 to deliver the refurbishment project. The firm’s track record is in converting 19th century housing into modern, high-quality homes that retain their original character.

Mayor of Liverpool Joe Anderson says: “PlaceFirst have a great track record in regenerating old houses and I know they are genuinely excited about what they can do in the Welsh Streets area. We’ve already demonstrated with the regeneration of Anfield and our Homes for a Pound scheme that we are leading the way in finding imaginative ways of retaining properties where it is viable to do so.”

The pilot is to remodel houses to deliver spacious, modern accommodation to suit households and families of all sizes through a mix of one, two, three and four-bed homes with gardens.

Managing director and founder of PlaceFirst, David Smith-Milne, says: “Delivering an ‘early win’ and showing the local community that we are committed to this project was a mutual priority for PlaceFirst and the council from the outset.

“The remodelling and refurbishment of these properties will be a difficult and complex task, but we are confident that we can deliver aspirational, distinctive homes that preserve and compliment the heritage of this historic neighbourhood. PlaceFirst are committed to improving the renting experience for the growing number of families who now rely on this sector for their housing needs.

“The homes proposed for the Welsh Streets will set new standards in renting and will appeal to families looking for rental accommodation they can put roots down in and genuinely call a home. The new homes will be designed around the needs of modern families, unlike the ‘identikit’ approach taken by the majority of volume householders. We would like to thank the council and the local community for their enthusiastic support on this project.”

FACT FILE

Estimated Population 2015	478,580
Projected Population 2039	527,300
Households (2011)	206,515
Owner Occupied	47%
Privately rented	23%
Council and social tenants	28%
Median Gross Annual Income (2016)	£21,705
Median House Price (2016 q3)	£122,000
Median Monthly Private Rented Sector (2016)	£450
Local Authority housing waiting list (2016)	15,008
Housing benefit claimants (November 2016)	56,186

Key contact:

Councillor Frank Hont, cabinet member for housing

frank.hont@liverpool.gov.uk

LONDON BOROUGH OF BARKING AND DAGENHAM

Housing innovation: right to invest, shared ownership of new homes for council tenants

The east London council of Barking and Dagenham has created a scheme called “right to invest”, to enable council tenants to take shared ownership of new homes. Right to invest (RTI) is an alternative to right to buy, for tenants unable to afford to buy their council house outright.

“RTI gives tenants an opportunity to buy a stake in their property,” says John East, Barking and Dagenham Council’s strategic director for growth and homes. Tenants can start with a 25% equity stake and raise that over time to a maximum of 70%, paying social rent on the remaining portion. That costs a little more than 100% social rent, but much less than right to buy, according to the council, which says that mortgage lenders with right to buy lending experience, including Halifax, are willing to provide RTI loans.

The council retains RTI receipts and keeps a minimum 30% share in RTI properties, as well as first option to buy back the share of a tenant seeking to relocate. The programme should alleviate a number of problems associated with right to buy. The homes themselves are being developed by the private company Reside, set up by the council.

“London’s ridiculously expensive property market has meant the idea of home ownership for most ordinary people is just a pipedream,” says the council’s leader, councillor Darren Rodwell. “Barking and Dagenham has the lowest level of owner-occupation in London, so it is important that we help those on low incomes to get a foot on the housing ladder. This will also help create a stable community where no-one is left behind.”

According to councillor Rodwell, a primary motivator for the initiative is the “pay to stay” legislation, which means that tenants earning £40,000 (£30,000 outside London) will be required to pay market-level rent. About 7,000 households in the borough will be affected by this aspect of the Housing and Planning Act 2016, he says.

“As things stand, councils only have enough housing stock to help the most needy. We have to create a number of intermediate price levels for people, including people who work elsewhere in London and are needed by those boroughs but can’t afford to live in them.”

FACT FILE

Estimated Population 2015	201,979
Projected Population 2039	281,000
Households (2011)	69,681
Owner Occupied	46%
Privately rented	18%
Council and social tenants	34%
Median Gross Annual Income (2016)	£23,508
Median House Price (2016 q3)	£275,000
Median Monthly Private Rented Sector (2016)	£1,150
Local Authority housing waiting list (2016)	6,704
Housing benefit claimants (November 2016)	20,975

Key contact:

Councillor Darren Rodwell, leader

darren.rodwell@lbbd.gov.uk

LONDON BOROUGH OF CROYDON

Housing innovation: a council-owned housing development company aggregating smaller sites for new homes

Croydon has set up Brick by Brick, a private, independent and self-sufficient development company with the council as sole shareholder. As this report went to press, Brick by Brick received consent for eight sites of the 30 that were submitted for planning permission late last year.

Brick by Brick intensifies Croydon's capacity to deliver new homes, either exclusively or via partnerships with carefully selected providers. In its first phase Brick by Brick aims to deliver 1,100 new homes by 2018, in a 50/50 mix of affordable and market sale, on smaller sites.

"It cannot be right that Croydon children are having to live in bed and breakfast accommodation, that we know can affect their education, health and future opportunities," says Councillor Alison Butler, Croydon's deputy leader and cabinet member for homes, regeneration and planning. "It is for this reason the council has set out a hugely ambitious agenda in Brick by Brick, for increasing the supply of new homes, both private and affordable, with a particular emphasis on local lettings and sales."

Affordable homes will range from Affordable Rent to Intermediate, the latter predominantly shared ownership. Affordable rents will be significantly lower than 80% of market rent. The range of homes provided will enable not only some tenants to down-size, freeing up their existing homes, but also allow residents living on the relevant estate to get first preference under local lettings plans.

The council provides the company with land and development finance at market rates, with money drawn from an investment fund. Dividend returns can be spent on general services or further development, helping to plug a small yet significant element of the 50%-plus funding cuts imposed on the council by central government since 2010.

By aggregating smaller sites, Brick by Brick can offer viable and less risky opportunities to a wider range of builders, including local firms, and can also secure lower building costs. With land holdings scarce, Croydon wants to provide new homes in developments on under-used and disused land: garages, car parks, former community centres and other infill sites. Each could potentially host 20-30 new homes.

"Brick by Brick is an innovative way of meeting our housing need and to help us make better places for our residents to live," says Councillor Butler. "This shows our commitment to building and improving homes across the borough."

Brick by Brick acquires land from Croydon Council with money borrowed from the council, which has in turn borrowed from the Public Works Loan Board and lends at state aid-compliant market rates. One of the most revolutionary concepts is to value the land based on what the scheme will deliver - for

example, if the land was to deliver 50% affordable homes, what would it be worth?

The company also buys from the council financial, legal, administrative and design services. "We get the experience of people who know how the council works," says Lacey. "The council gets income to make its development services cost-neutral."

The Brick by Brick board comprises two council-nominated directors, plus the council's head of finance, Lisa Taylor, and Colm Lacey, the council's regeneration director and chief executive of Brick by Brick. Two independent non-executive directors with extensive property development experience also sit on the board.

"Commercially, Brick by Brick can compete with other private developers and it'll help to bring forward sites that are harder to develop," says Lacey. "Development profit comes wholly back to the council and can be spent on further investment and to bridge gaps caused by government funding cuts. The idea is for Brick by Brick to be fleet-of-foot and competitive."

FACT FILE

Estimated Population 2015	379,031
Projected Population 2039	476,300
Households (2011)	145,010
Owner Occupied	59%
Privately rented	21%
Council and social tenants	18%
Median Gross Annual Income (2016)	£27,992
Median House Price (2016 q3)	£335,125
Median Monthly Private Rented Sector (2016)	£1,100
Local Authority housing waiting list (2016)	4,530
Housing benefit claimants (November 2016)	29,991

Key contacts:

Councillor Alison Butler, deputy leader and cabinet member for homes, regeneration and planning

alison.butler@croydon.gov.uk

Colm Lacey, chief executive, Brick by Brick

colm.lacey@croydon.gov.uk

LONDON BOROUGH OF ENFIELD

Housing innovation: cost-effective temporary accommodation for homeless people

Enfield's Labour members responded to a shortage of suitable, cost-effective temporary accommodation by establishing a council-owned housing company, Housing Gateway, in March 2014.

Wholly-owned by the council, this limited company is self-sufficient, primed with a loan facility, and aims to purchase 500 properties over five years to house Enfield's homeless residents and act as their exemplary landlord.

Housing Gateway has already bought 414 homes and temporarily accommodated 399 households in high quality refurbished properties. Under the scheme families are placed in Housing Gateway properties, given an assured short-hold tenancy and then supported to find alternative accommodation. The large majority of the properties acquired are in Enfield, with a few in the surrounding area.

Since its inception, the company has saved a reported £1.5 million in nightly accommodation costs. Rental incomes are growing and a tenant survey has reported 86% satisfaction rates.

The company's day-to-day operations are carried out by two housing managers, supported by a company board comprising cabinet members and senior council officers.

The move was a response to a what cabinet member for housing and housing regeneration, councillor Ahmet Oyken, describes as sky-rocketing demand for housing in Enfield, exacerbated by other London boroughs placing families in temporary accommodation in Enfield because it is cheaper than their own. Between 2010/11 and 2013/14, the numbers accepted by the local authority as being homeless and in priority need grew from 199 to 627.

"Housing Gateway has helped the council reduce temporary accommodation budget pressures," says councillor Oyken. "It has secured good quality local properties for local families and driven up the standards of accommodation by ensuring the properties it lets are all well managed and of a good standard."

FACT FILE

Estimated Population 2015	328,433
Projected Population 2039	421,700
Households (2011)	119,916
Owner Occupied	58%
Privately rented	22%
Council and social tenants	18%
Median Gross Annual Income (2016)	£26,301
Median House Price (2016 q3)	£375,000
Median Monthly Private Rented Sector (2016)	£1,250
Local Authority housing waiting list (2016)	1,843
Housing benefit claimants (November 2016)	33,978

Key contacts:

Councillor Ahmet Oyken, cabinet member for housing and housing regeneration

cllr.ahmet.oyken@enfield.gov.uk

Kayt Wilson, housing gateway development manager

kayt.wilson@enfield.gov.uk

LONDON BOROUGH OF ISLINGTON

Housing innovation: building genuinely affordable homes at scale

In the last five years, over half of this north London borough's 2,000 new homes have been genuinely affordable. Islington Council plans to build an additional 2,000 genuinely affordable new homes by 2019, including 500 council homes, prioritised for local people.

The council also worked with housing associations to help build new social rent homes for people on low and moderate incomes. The council offered grants to housing associations and discounted council-owned land on the condition that providers build new social rent homes with secure tenancies.

Cllr Diarmaid Ward, executive member for housing and development at Islington Council, explained: "Our land capital receipts are low in exchange for a high level of new social rented homes. We're putting our land and our money where our mouth is to build much needed new, genuinely affordable homes."

The council also kick-started small and previously stalled schemes. For instance, it offered Islington and Shoreditch Housing Association (ISHA) £700,000 from the New Homes Bonus, allocated by government, to allow ISHA to create 17 affordable new homes, six for shared ownership and, crucially, 11 for social rent. The development will achieve Code for Sustainable Homes level four and features photovoltaic panels and a "green" roof.

However, rent levels are the most significant aspect: weekly rents will be pegged between £112 and £150, considerably lower than local market rents (property website Zoopla quotes average monthly rents in the borough at £2,166) and the government's Affordable Rent homes. ISHA says the six shared ownership apartments are targeted at people with local connections on approximately average incomes in the borough. ISHA bags the rental income on the social rent homes but bears management costs and responsibilities.

Initially, ISHA wanted to develop the site and secured some Greater London Authority money, but developing viably with a high proportion of social rent homes looked improbable: the £700,000 represented a one-off capital grant.

"Islington is facing a housing crisis, and we're committed to building more genuinely affordable housing for local residents," says Cllr Diarmaid Ward. And he adds that there can be no slowing of the programme: the Housing and Planning Act is likely to put even more pressure on affordable housing availability, as many of the thousands of homes bought by the council inexpensively in the 1960s and '70s are now worth millions, and have become vulnerable to Right To Buy.

"There can be no slowing of the programme," Councillor Ward says. "The Housing and Planning Act is likely to put even more pressure on affordable housing availability, as many of the thousands of homes bought by the council inexpensively in the 1960s and '70s are now worth millions, and have become

vulnerable to Right To Buy."

FACT FILE

Estimated Population 2015	227,692
Projected Population 2039	292,700
Households (2011)	93,556
Owner Occupied	28%
Privately rented	27%
Council and social tenants	42%
Median Gross Annual Income (2016)	£31,649
Median House Price (2016 q3)	£600,000
Median Monthly Private Rented Sector (2016)	£1,733
Local Authority housing waiting list (2016)	20,733
Housing benefit claimants (November 2016)	29,047

Key contact:

Councillor Diarmaid Ward, executive member for housing and development

diarmaid.ward@islington.gov.uk

LONDON BOROUGH OF NEWHAM

Housing innovation: a wholly-owned commercial developer to stimulate the private rent and sale markets

The original ambition for Red Door Ventures was to build around 550 properties but, two years after the company's foundation, the newly-adopted, detailed "business plan one" is for 3,140 homes by 2023, at a cost of £1 billion, all on already-identified, Newham Council-owned sites.

Sir Robin Wales, the elected Mayor of Newham, has a vision for Red Door Ventures to be the biggest housebuilder in the borough. "The company is growing all the time," says managing director Kent Taylor.

This level of ambition is fuelled by several small-scale successes, giving the council and the company the confidence to grow. The first development of 36 units, designed by Richard Rogers and costing £9 million to build, has been completed and fully let at the Tanneries on the Leather Gardens estate in Stratford. The next scheme, converting three properties to six cottages in East Ham completes in April 2016, and the third, for 17 homes at Gregory House, in May. A further four schemes have planning permission.

Although wholly-owned by the council, Red Door is run by an independent board and management. One Newham councillor, David Christie, sits on the board. The chair, Lesley-Anne Alexander CBE, worked at Peabody Trust and held housing and social services roles in the London Boroughs of Ealing and Enfield. Managing director Kent Taylor has worked at two housing associations as well as in residential and commercial property development and the private market rent sector. Nick Kybert, development director, worked with developers Grainger and Lend Lease.

The company's working capital is, in effect, an overdraft provided by the council at market rates. When suitable council-owned land for development is identified, the council provides a lump sum in return for equity in that development. The company uses that sum to buy the land from the council. The company then creates development finance by taking two loans (currently from the council, though it is considering options from other institutions) at different, market rates calculated so as not to contravene state aid legislation, and pays these back over different periods of up to 40 years.

"Valuing the land, we try to get within £2 million of the open sale value," says Taylor. "It's a difficult calculation, as PRS doesn't provide the same instant returns as a private sale, for example. But there is a substantial return to the council from the land sale, dividends on the development and margin on the loans."

But what is it all for? The mission is clear: the company describes itself as a "commercial residential developer" and its job is to build housing for private rent or sale. Red Door is a response to a housing waiting list of 18,000; 3,430 households in temporary accommodation; and severe overcrowding in a rental

sector accounting for 51% of households, with 34% in social rented housing - the five most overcrowded wards in England are in Newham. Red Door aims to drive up standards as well as increasing supply and generating revenue. It will, says the council, help to relieve the pressure on housing in Newham and across London; it will raise the standard of homes in Newham, by providing high quality homes for sale and acting as an exemplary landlord for PRS; and it will generate income for the council to spend on other services. "I want to be more ambitious and ensure the council subsidises at least half of the homes at affordable rent or below, so they are within the means of residents on low incomes," says Sir Robin. "This would be a much bigger proportion of truly affordable homes than anywhere else in London."

FACT FILE

Estimated Population 2015	332,817
Projected Population 2039	433,700
Households (2011)	101,519
Owner Occupied	33%
Privately rented	34%
Council and social tenants	30%
Median Gross Annual Income (2016)	£22,700
Median House Price (2016 q3)	£342,500
Median Monthly Private Rented Sector (2016)	£1,325
Local Authority housing waiting list (2016)	17,453
Housing benefit claimants (November 2016)	34,610

Key contacts:

Sir Robin Wales, mayor
robin.wales@newham.gov.uk

Kent Taylor, managing director, Red Door Ventures,
kent.taylor@reddoorventures.co.uk

MANCHESTER CITY COUNCIL

Housing innovation: a partnership with Greater Manchester Pension Fund has built 240 new homes

Manchester City Council and the Greater Manchester Pension Fund are investing to develop new homes and generate revenue through market rent and sales. The joint venture, called Matrix Homes, has already built 240 new homes, 121 for sale and 119 for market rent.

Now phase two is underway, to develop a further 341 homes, 233 for sale and 108 for rent. “The continuing economic growth of Manchester, led by a strong Labour council, brings with it a demand for more housing and improved infrastructure,” says the council’s deputy leader, councillor Bernard Priest.

“Labour in Manchester has to do things differently to deliver in times of government austerity, and the Matrix Homes partnership allows us to deliver more homes, affordable to a wider range of residents, than has been possible before.”

Paul Beardmore, the council’s director of housing, recalls how the project emerged after the financial crash of 2008-‘09. The recession scuppered a programme to encourage the delivery of new homes for owner-occupiers in work, and fuelled an expansion of the private rental market.

As the council reviewed its options, Beardmore had what he describes as a fortuitous conversation with a contact at the pension fund, who mentioned the fund was looking to invest in housing. That led to an investigation into five council-owned sites across the city. An objective was agreed, and has since been achieved, to build low-rise family homes across all of the sites and achieve a level of return to satisfy the pension fund.

A formal joint venture, Matrix Homes, was established to procure a housebuilder, a managing agent for the rental properties and a sales and marketing agent for the open market homes.

The first site was on the challenging West Gorton Estate and included 10 market sale homes and, to mitigate sales risk, 19 market rent homes. Another tenure-blind 67 homes were built near to the Gorton Monastery on a remediated and difficult site. Again, sales risk was mitigated by 46 market rent homes balancing 21 built for market sale.

Three sites were also tackled in south Manchester. Matrix built a mix of 29 units for rental and market sale at Ossington Court. At Woodwise, in Wythenshawe, 18 market sale homes were built. At Darley Avenue in Chorlton-cum-Hardy, the site with most promising market potential, 97 homes were built. Those included some four-bedroom family homes and the scheme was divided 60/40 between sale and rental.

This last site provided a cross-subsidy for the other four, yet Beardmore describes take-up of homes on all five sites as phenomenal. “All 20 Woodhouse

homes were sold off-plan,” he says. “West Gorton’s last two did stick for some time but now they’ve been sold. And Keepmoat are now building and selling new, low-rise family homes on that estate, and that’s increasing the value of the Matrix Homes properties.”

The second phase consists of another five city-owned sites in Manchester, with investment by the council into preparing the sites for about 341 new homes. That investment represents the council’s equity in the development, with the pension fund providing matching equity finance and development finance sourced from the GM Housing Investment Fund. Meanwhile, as a housing brand, Matrix Homes allows the council to control the quality and pace of development as well as generating general fund income in proportion to its investment.

Matrix Homes is a limited liability partnership. Its board comprises three city council nominees – the director of strategic development, the city treasurer, and Beardmore – plus three pension fund counterparts.

And now the company is expanding, with sites elsewhere in Greater Manchester being explored. “Matrix Homes has been a successful project with positive outcomes for the city,” says Beardmore. “People from other authorities often ask me about it. The Matrix Homes brand can only go from strength to strength.”

FACT FILE

Estimated Population 2015	530,292
Projected Population 2039	623,500
Households (2011)	204,969
Owner Occupied	38%
Privately rented	28%
Council and social tenants	32%
Median Gross Annual Income (2016)	£20,121
Median House Price (2016 q3)	£147,000
Median Monthly Private Rented Sector (2016)	£650
Local Authority housing waiting list (2016)	11,715
Housing benefit claimants (November 2016)	59,219

Key contact:

Councillor Bernard Priest, deputy leader
cllr.b.priest@manchester.gov.uk

Paul Beardmore, director of housing and residential growth
p.beardmore@manchester.gov.uk

READING BOROUGH COUNCIL

Housing innovation: £30 million investment in the council-owned housing company Homes for Reading to meet affordable housing needs

Reading Council is buying 500 existing (and potentially new) residential properties to rent over a five-year period, funding the investment through a cost-neutral model of subsidising sub-market rent with the provision of full market rent units.

Only 54 affordable homes were built in Reading during 2015-'16 and that represented a significant decline. Reading Council decided to create its own housing company to help plug the area's housing gap, including a supply of accommodation for homeless households which will reduce expenditure on bed and breakfast accommodation.

In March 2016, Reading Council created a new company, Homes for Reading (HfR), and authorised £30 million in capital expenditure on the business. That is split, with 34% of the money buying shares in the company, and 55% providing loans (secured on property).

HfR is wholly owned by the council. Its aim is to buy, over a five-year period, 500 existing and new residential properties and to rent them out. The financial proposition is that there is no overall cost to the council and a proportion of the homes (in aggregate over the life of the business plan) will be provided at sub-market rent to homeless households. That objective is to be subsidised by letting the remainder at market rent.

The loans to HfR are at a higher interest rate than the council borrows, so that the council's borrowing is rewarded and state aid-compliant. HfR is expected to produce an operating profit from year two, subject to being able to acquire properties at an average rate of two a week.

Over a longer period, property value growth is expected to cover additional operating costs and the council's original equity investment.

Council leader and HfR board member Jo Lovelock says: "Given that the Tory Government has been making it ever more difficult for local councils to either build council housing, or ensure affordable homes are built as part of planning policies, we had to do something different.

"It is early days for Homes for Reading, but it will help a bit. What we need is a Labour Government committed to building homes at affordable rents."

FACT FILE

Estimated Population 2015	161,739
Projected Population 2039	181,900
Households (2011)	62,869
Owner Occupied	55%
Privately rented	26%
Council and social tenants	16%
Median Gross Annual Income (2016)	£25,334
Median House Price (2016 q3)	£280,000
Median Monthly Private Rented Sector (2016)	£925
Local Authority housing waiting list (2016)	5,088
Housing benefit claimants (November 2016)	12,379

Key contacts:

Councillor Jo Lovelock, council leader and Homes for Reading board member

jo.lovelock@reading.gov.uk

Sarah Gee, head of housing and neighbourhoods and Homes for Reading director

sarah.gee@reading.gov.uk

WARRINGTON BOROUGH COUNCIL

Housing innovation: one of the first local authority mortgage schemes, which underwrote £22.7 million of mortgages

Warrington Borough Council was one of the first councils to launch a local authority mortgage scheme (LAMS) and is now looking to follow up its success with another.

The LAMS aimed to help potential first-time buyers who could afford monthly mortgage repayments but had difficulty raising the hefty deposit required by most lenders. The council indemnified a proportion of the loan, to enable the lender to provide a 95% mortgage on favourable terms.

During the scheme, Warrington underwrote £22.7 million of mortgages for first-time buyers, putting £5 million on account with mortgage providers Lloyds and the Leeds Building Society.

The first scheme finished in September 2016, having been underwritten for five years, with a £2 million deposit being returned to the council, plus interest.

The programme supported 213 mortgages for first-time buyers, reporting no defaults. The scheme, reportedly, has reduced the average age of first-time buyers in Warrington by five years, allowing residents to get onto the housing ladder without spending those years saving the deposit needed to attract better interest rates.

A variant of the scheme has supported Warrington teachers, in partnership with the Teachers Building Society, which is a national lender providing mortgages to education professionals. This offer was for first-time buyers of properties within the borough, with a maximum value of £157,850.

Councillor Russ Bowden, Warrington's executive member for corporate finance, says: "Our LAMS scheme was a great boost to first-time buyers in Warrington, who were previously struggling to get onto the housing ladder.

"The council provided a five-year underwriting of their mortgages, allowing them to secure their own homes on good loan terms with just a five per cent deposit. There have been no defaults, proving the merits of the scheme, which has also provided a modest income to the council while helping local residents to own their homes.

"We are looking now at similar schemes to follow the outstanding success of LAMS. This will benefit Warrington residents as we promote new housing development to support our strong economic growth and the concept of Warrington as a New City/Garden City."

FACT FILE

Estimated Population 2015	207,695
Projected Population 2039	234,000
Households (2011)	85,140
Owner Occupied	72%
Privately rented	11%
Council and social tenants	16%
Median Gross Annual Income (2016)	£23,969
Median House Price (2016 q3)	£165,000
Median Monthly Private Rented Sector (2016)	£550
Local Authority housing waiting list (2016)	3,080
Housing benefit claimants (November 2016)	23,969

Key contacts:

Councillor Russ Bowden, executive board member for corporate finance

rbowden@warrington.gov.uk

Lynton Green, director of finance and information services

lgreen@warrington.gov.uk

