



The cross-sector membership network  
for housing and construction

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CEO Forum held by The Housing Forum and Keepmoat on 16<sup>th</sup> November in  
Leicester

“Joint Ventures and More Housing Delivery”



*Key words: mixed tenure, land availability, a range of JV models, supply and demand*

### Joint Ventures and More Housing Delivery

This Forum covered the long-term value of the joint venture (JV) approach to housing delivery and its importance as the Government encourages greater diversity in supply.

**Martin Smithurst** set out Keepmoat’s approach which is focused on partnership working to facilitate mixed tenure delivery. Long-term benefits arise from JVs and have enabled Keepmoat to deliver high volumes through entities like the Sheffield Housing Company. This will provide 2,400 homes over a 12 year period and is an example of well integrated development with a mix of tenures, provision for PRS alongside housing for rent and sale supported by inward investment. Strong partnerships with local authorities and access to land are key the success of JVs to build new homes at scale and for councils and housing associations to be able to invest significantly. Although the 2007 Housing Green Paper paved the way to build partnerships; collectively, the industry has been unable to deliver an adequate supply over a decade, leading to a significant shortfall.

There are challenges in some council areas in obtaining professional housing advice and issues over best value for land. **Simon Hatchman** covered asra’s position as developing housing association in the Midlands and the London area considering how housing associations can position themselves to grow. asra operates in complementary markets which gives them the opportunity to spread the geographic focus. Key financial indicators are the operating margin and available cash – both are crucial to financial health and are underpinning the groups future plans to deliver up to 500 units a year – with a model of 50% affordable rent 40% shared ownership and 10% sale. asra will consider formal JVs for the future and they work best when the housing association partner is active in monitoring and management.

**Allan Fisher** explained that NCHA operate widely over Nottinghamshire, Lincolnshire, and North Hertfordshire and have a number of business streams including Pelham Property Group. NCHA is part of a consortium of 14 housing associations and whilst there is capacity for development in smaller associations, restrictions on gearing prevent more development being undertaken. NCHA is investing in JVs with Nottingham City for affordable housing and with Hinckley and Bosworth Council. The long term value of this joint working is that it leads into opportunities to invest in private housing schemes as a broader partners. NCHA can take one of two approaches – either a JV with landowner, setting up a company to develop and share risk/reward, or a contractual JV with a builder.

**Nick Murphy** works closely with Nottingham City Council who actively encourage housing building for local people to rent. Nottingham City Homes, as an ALMO is building a range of homes to rent and to buy, plus a new extra care scheme and are committed to ensuring quality in the homes built. However, Housing Revenue Account debt caps will eventually limit what a council can do. Skills shortages are evident throughout the industry but there may be potential to help develop the workforce needed through the JV route.

In conclusion, **Mike Kay** spoke of the resilience of the housing sector and the remarkable recovery of the trading position of housebuilders following falls post the EU referendum vote. The reality is that housing demand is continuing to grow with huge pressure on homelessness services and temporary accommodation which falls directly on local councils. Volume and continuity matter and from a strategic and long term viewpoint, JVs offer one of the best models to deliver the homes we need to build.

#### **The following attended the Forum in Leicester:**

- 🏠 Martin Smithurst, Regional Manager Director, Keepmoat (Co-Host)
- 🏠 Shelagh Grant, Chief Executive, The Housing Forum (Co-host)
- 🏠 Jyoti Madlani, Regional Business Development Manager, Keepmoat
- 🏠 Paul Senior, Regional Director, Keepmoat
- 🏠 Jo Turley, Membership & Development Manager, The Housing Forum
- 🏠 Steve Atkinson, Chief Executive Hinckley and Bosworth Borough Council
- 🏠 Janet Callan, Housing Development Manager, Leicester City Council
- 🏠 Simon Hatchman, Executive Director of Resources, asra Housing Group
- 🏠 Shirley Davies, Director Housing Management Northampton Partnership Homes
- 🏠 Allan Fisher, Director of Development, Nottingham Community HA
- 🏠 Neil Hebberts, Partner, calfordseaden
- 🏠 Glyn Jones, Director of Housing North West Leicestershire
- 🏠 Mike Kay, Chief Executive, Northampton Partnership Homes
- 🏠 Mark Lowe, Head of Regeneration, Nottingham City Council
- 🏠 Nick Murphy, Chief Executive, Nottingham City Homes
- 🏠 Helen Newbury, Group Head of Programme and Performance, Waterloo Housing Group
- 🏠 David Robertson, Partner, Arcadis
- 🏠 Ian Woodland, Assistant Director of Development for Midlands and South, Riverside Group

**WITH THANKS TO KEEPMOAT FOR HOSTING THE CEO FORUM**