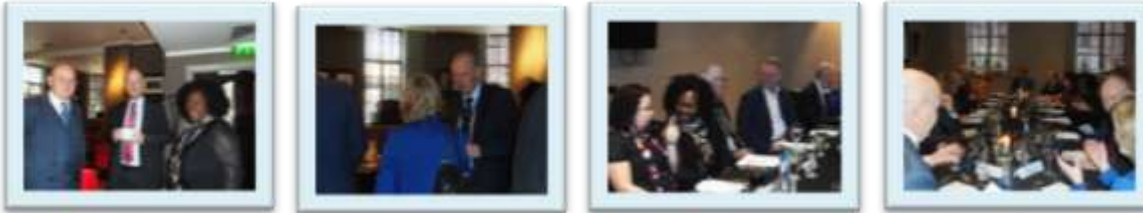


"LEEDS FOCUS ON ESTATE REGENERATION:"

CEO FORUM IN LEEDS - HELD BY THE HOUSING FORUM AND WATES LIVING SPACE
30TH OCTOBER 2014

HOSTED BY BEVERLEY GREY, BUSINESS DEVELOPMENT DIRECTOR, WATES LIVING SPACE



Beverley welcomed delegates and introduced the topic, explaining how planning and grant rate changes have made operations in Estate Regeneration more challenging

The Housing Forum runs monthly CEO Forums to support our permanent campaign for more homes, better homes through 3 Working Group work streams: **Building homes for the future, Investing in our housing assets and Smarter Supply: Smarter Resources (the supply chain)**. We build leadership and influence within the housing sector and the cross sector representation of our membership equips us to investigate issues that require collaboration and expertise for successful outcomes.

Discussion led by Simon Costigan, Susan Jordan, Nigel Ingram and Jeremy Kape, Chair of The Housing Forum Working Group on "Investing in our housing assets"

The discussion covered the growth challenges for Leeds, land costs and viability, the role of OSM and supply chain security which requires us to look more openly at OSM together with further essential elements in estate regeneration - tenant perspective, designing for ageing communities, protecting investment already made and the impact that a SAP rating can have on aspiring Decent Homes Standards.

Simon Costigan, Chief Housing Officer, Leeds City Council explained that Leeds Council had recently re-integrated the city wide housing service. The city itself has 760,000 population and 360,000 households with an average household size of 2.36 which is below the national average. Strong city regeneration over a couple of decades has contributed to investment in a major arena, Trinity Quarter and £800m investment in retail development with the refurbishment of the historic city market underpinning the attraction of a vibrant city which draws in £1.25bn a year revenue to visitor attractions. The council recognised the importance of road connections linking the A1 and M1 routes and there has been the recent announcement of the HS3 rail upgrade. The significant growth of the financial and legal sectors in Leeds generates inward investment.

Leeds however is a city of a two speed economy and in the wider city region, house prices for 1 bed homes can vary from £50,000 to £180,000 for a similar product.

Leeds itself needs more affordable housing to meet growth and growth is occurring in a number of northern cities at a pace.

CEO Forum



Challenges are the availability of land, land costs and overcoming site conditions to get open ready sites and lever up value. The council has £82m borrowing available in Housing Revenue Funds and is looking to invest in new housing sites on a site by site basis with a site availability plan to be drafted by June 2015. On some sites, the council will invest in infrastructure, seeking to recoup from developers through uplift in value.

In estate regeneration, skills are a key issue. The internal DLO provides apprenticeships which the council underwrites to generate the required workforce. The view was that apprenticeships have to be used to grow the industry through the provision of lost skills in nearby locations.

In this current up cycle phase in housing demand, OSM is gaining momentum and is now being brought in direct by contractors from manufacturers. The issue is that OSM cannot be delivered in small pockets and in areas where land value is low the relative higher production costs at 10% cannot be absorbed. There was a call for more critical mass and case studies to be assembled to show the application of OSM to the north.

Susan Jordan, Chief Executive, St Leger Homes of Doncaster, set out their achievements and with £300m invested over a decade; all housing stock now meets Decent Homes Standards. This investment needs to be protected through an efficient 30 year re investment and maintenance business plan.

The next issue is that the mix of housing stock is not in balance to fit the future demographic with a very high proportion of bungalows and outdated sheltered housing complexes which do not meet modern expectations or cover dementia needs. HRA headroom with Doncaster Council has allowed an initial £10m to be invested in building new council homes with a target of 3,000 homes over a 30 year period.

The central concerns are the issues of poverty and unemployment in the borough. An apprenticeship scheme has been successful, retaining 60 out of 62 apprentices over a five year period.

A high value should be placed on tenant engagement in complex regeneration schemes bringing suggestions and solutions to estate improvement features that landlords would not have thought of.

Follow on work after Decent Homes is now being extended to tackle environmental matters like fencing and off street parking. St Leger Homes are investing a further £10m of HRA monies in the purchase of empty private sector homes to give improvement in areas of high concentrations of vacancies.

Jeremy Kape, Director of Property Investment, Affinity Sutton and Chair of The Housing Forum Working Group "Investing in our housing assets", set out the call of the Working Group for a simple, consistent home energy measure.

Energy incentives have lacked the volume to sustain a market and need investment at scale. There has been a lack of engagement with users on the benefits of energy saving measures.

But the UK problem is not high energy costs; comparatively we do not have high energy charges. However, the fact is that a high proportion of the housing stock is pre 1960s and energy inefficient. To solve the energy issue therefore, the condition of the housing stock has to be improved first.



Decent Homes needs to move on and be aspirational. It is particularly important in achieving this to have an industry agreed SAP rating as a part of an aspirational Decent Homes Standard. Landlords were warned about over reliance on government policy measures for energy

Rent flexibilities - differential rent levels to be applied when energy measures will deliver a reduction in fuel bills are supported as a link between investment in improved home condition and lower energy cost expectations.

Active asset management has also to be about making management interventions when social and poverty indicators combine with neighbourhood and stock condition indicators as a call for action.

Nigel Ingram, Director, Aurora Estates- raised the importance of making existing properties not just energy efficient but more adaptable and flexible in use. Building for tomorrow is essential to meet the scale of growth of over 65s. North Yorkshire county population statistics predict a 28% increase in over 65s within the next 6 years so raising the question how existing homes can be made more accessible. What can be put into existing estates to a make homes more adaptable and integrated for this user group? Respite care is needed in existing communities so that accommodation opportunities can better match the needs of residents. Studies at Sterling University on designing for dementia demonstrate how to make homes more accessible for frailer people and this should be a key part of estate regeneration.

THE HOUSING FORUM IS GRATEFUL TO WATES LIVING SPACE FOR HOSTING THE EVENT AND THE FOLLOWING GUESTS FOR THEIR CONTRIBUTIONS

- 🏠 Peter Bojar, Director of Development, Great Places Housing Group
- 🏠 Paul Buckley, Director of Operations, Kirklees Neighbourhood Housing
- 🏠 Frances Chaplin, Partner, PRP
- 🏠 Simon Costigan, Chief Officer, Strategic Housing, Leeds City Council
- 🏠 Martin Hawthorne, Group Director Development & Regeneration, Thirteen Group
- 🏠 Karen Heaney, Director, Asset Management, Home group
- 🏠 Steve Hicks, Managing Director, Gentoo Genie
- 🏠 Nigel Ingram, Director , Aurora Estates
- 🏠 Susan Jordan, Chief Executive, St Leger Homes of Doncaster
- 🏠 Jeremy Kape, Director of Property Investment, Affinity Sutton and chair of The Housing Forum Working Group “Investing in our housing assets”
- 🏠 Pauline Mitchell, Assistant Director Housing & Building Services, Darlington Council
- 🏠 Ken Nicholson, Director Building Services, Incommunities Group
- 🏠 Allan Ramsay, Director of Investment & Regeneration, Guinness Northern Counties
- 🏠 Shelagh Grant, Chief Executive, The Housing Forum (Co-Host)
- 🏠 Beverley Grey, Business Development Director, Wates Living Space (Host)
- 🏠 Michael Holling, Operations Director, Wates Living Space (Co-Host)

