

CEO Forum & Lunch with John Anderson

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The Housing Forum runs an on-going series of CEO meetings as part of our permanent campaign to use shared expertise to meet complexity in future housing markets.

Housing across the county is a linked process – but too often seem as a series of separate markets. Our role is to fill that gap with experts able to identify solutions which have a lasting and measureable impact on a fast moving agenda.

MDs of five national house builders, CEOs of three developing Housing Associations and heads of four major design and consultancy companies joined **John Anderson, Regional Chairman, Berkeley Homes (Urban Renaissance), The Housing Forum and NHBC** on **10th July 2013**, to identify long term solutions and success in complex and costly regeneration projects.

GUEST LIST	Danny Brady, Group Affordable Housing Manager, Bellway Homes
Tony Catchpole, Managing Partner, Rider Levett Bucknall	Nicholas Falk, Founder Director, URBED (Urbanism, Environment, Design)
Gary Hardy, Managing Director - Northern Regions, Jones Homes	Robert Jelley, Managing Director, Jelson Ltd.
Richard Jones, Partner, EC Harris LLP	Carol Matthews, Chief Executive, Riverside
Ann Santry, Chief Executive, Sovereign Housing Group	Denis Seal, Director, Development & Affordable Housing, Kier Homes
John Slater, Group Managing Director, Stewart Milne Group Ltd	Kevin Thompson, Chief Executive, North Hertfordshire Homes
HOSTS:	Mehban Chowdery, Regional Director – London, NHBC
Ben Derbyshire, Managing Partner, HTA and Chair, The Housing Forum	Shelagh Grant, Chief Executive, The Housing Forum

City Regeneration requires a long term commitment likely to span several housing cycles from start to finish. John Anderson described how regeneration is faring after many years of low housing completions by examining three significant projects led by Berkeley in South East London.

ROYAL ARSENAL: Berkeley Group took initial ownership in 1999 and in the last 14 years the approach to regeneration there has been re-invented through six reappraisals of the master plan in response to changes in the environment and the market. Berkeley concentrates on London and the Southeast and on high end and joint venture opportunities. The large regeneration projects they develop include many complex buildings and mixed-use delivery. Working with housing associations has proved to be a constructive way to deal with this.

Over a 20 year history, their approach has been to plan the use of space imaginatively – approaching the space between homes as part of distinguishing environment to create a sense of place. Key to Berkeley's approach is flexibility and taking opportunities and as this scheme progressed, the developers relocated a public park, bought more land and increased the numbers of homes, revisiting the master plan base. This is in line with Berkeley's approach the master plan sets out the scope for phase 1, which may later be reconsidered, or even remodelled.

KIDBROOKE: Acquired in 2007 and a former GLC estate with a poor reputation. In terms of scale and risk, Berkeley took on this major regeneration scheme of 4,000 homes. Works commenced in 2009 and the first phase of 850 homes and £9m of landscape and public realm works has now been completed with the benefit of some gap funding from the GLA.



After 3 years, they have turned the corner and starting to see increased profits and valuations. On developments of this scale, some upfront gap funding is essential and AHG supported up to 1,500 units improving delivery and value above the master plan predictions.

HOW REGENERATION WORKS AT SCALE

Housing policy approaches regeneration as a community issue – fixing derelict estates, creating homes and strengthening communities. The developer's approach is to understand the development risk of a project and only building out once they are in control of risk. Direct overseas sale of a proportion of the units for personal or family investment has been essential to underpin the development and delivery of the rest of a major scheme.

In public/private partnerships each party must understand the procedures and expectations of the others- council electoral cycles are generally four years but investment in major regeneration can cover twenty years.

HAS TO BE RIGHT

If Berkeley are interested they will take a positive approach and go full-on for acquisition- and equally will not proceed if they view a scheme as not workable. Negotiations on overage clauses are one of the biggest tests: where the developer has created added value and taken the risk, there is a case for a share with the local council but a 50:50 split which some expect is not viable.

THE ISSUES?

The following issues were discussed in open forum:

- Skills:
 - Quality and reliable supply of skilled site workers is seen by many as the greatest current challenge
 - Berkeley approach is to work with its Foundation to set up an apprentice skills centre to focus on health, safety and welfare and encourage older workers to return to site jobs.
- Design Matters:
 - BIM is seen as a strong offer - reacting to the market a bringing out variations to house types etc. in response to demand means it is less likely to use OSM.
- Collaboration?
 - Development has become more complex so there is a real need for collaboration but barriers between the public sector partner and contractor/ developer are greater now than ever: how do you understand what your partner wants?
 - The response is to work very closely with partners – deal at strategic level with the council Cabinet but be consistent-take the view now on what you can offer as the affordable homes percentage and stick with it.
- Taking the lead
 - Shared knowledge will have a public benefit in the future design and scope of major regeneration but the Government are not going to produce any guidance. What would you suggest?
 - Strategic sites must have flexibility as you are in essence planning for a generation ahead and into a world you can't predict.
 - One danger is to plan too much detail early on – it is better to follow a framework and be able to revise your master plan.

