

Big can be beautiful

A 6,000-homes community near Rugby could be the way forward for tackling the housing crisis

The future of urban regeneration

New forms of collaboration needed across sectors as regeneration steps into the future

Economic growth with local talent at the fore

With 22,000 civil service jobs moving out of London there are real opportunities for local authorities to work with the Government Property Agency to kickstart economic growth. **Alan Whitelaw** explains

There is a workplace revolution taking place across the country, with huge scope for local and combined authorities – and most importantly the people they serve – to benefit. From Swansea to Belfast, Newcastle to Aberdeen our team at the Government Property Agency (GPA) is overseeing one of the largest office transformation programmes in the UK, upgrading buildings and developing new regional hubs to relocate 22,000 civil service roles out of London.

The government hubs that we're rolling out throughout the UK have the power to kickstart a chain of inward investment

It's a vast initiative, with the potential to drive economic growth and support wider ambitions around urban renewal in towns and cities throughout the UK. But we can't deliver all this in isolation. Working hand in hand with regional partners is essential if we want to maximise the impact for communities, while creating the modern and efficient estate that Government needs.

Mutual goals

We have found that early conversations with local leaders are vital to help pinpoint investment in the right places. Local teams have unparalleled insight into the specific challenges and opportunities in an area, and by understanding their priorities we have been able to ensure that our work is as mutually beneficial as possible.



Quay House, Peterborough – one of the new government hubs

This has been especially important for supporting councils' development and regeneration goals. The government hubs that we're rolling out throughout the UK have the power to kickstart a chain of inward investment, establishing employment clusters that reinvigorate the surrounding area. In Peterborough for example, Quay House is a new home for five government bodies that we opened last year which has anchored a £120m redevelopment project by the council and one of its joint venture partners.

Heading further north, the Darlington

Economic Campus that we're building for HM Treasury and eight other departments is expected to deliver around £30m in economic benefits for every 1,000 civil service roles relocated to the site – thanks to increased footfall and spending in the town. Elsewhere, in Manchester our process to identify a home for a new digital hub has meant we've been able to select a site which both meets Government criteria and aids the council's job creation strategy for the city centre.

These knock-on benefits wouldn't be realised in the same way without

engagement from regional partners. It's not just about major new campuses – in some towns we've delivered our property goals by leasing council-held assets, creating direct income for the local authority while providing value for money for taxpayers. From single buildings to multi-million-pound redevelopments, we're conscious that the best decisions are made when we understand the local context.

It's not just about major new campuses – in some towns we've delivered our property goals by leasing council-held assets

People as well as property

Although the GPA's priority is creating great places for civil servants, our ability to drive positive change can be made far greater when we collaborate with the communities we're operating in. It's about more than bricks and mortar – the ambition for our programme is to open up civil service career opportunities to people right across the UK, creating a sticking point for local talent and changing what people thought was possible in terms of job development in their hometowns. We've already started to see this happening in Darlington for example, where some local education providers are now adapting their curriculums to prepare the next generation for roles coming to the area.

The opportunities are incredibly exciting, and our rallying cry to local and combined authorities is to work with us to make sure that investments made are as impactful and joined-up as possible. If we can work together to marry central Government ambition with local knowledge and expertise, then we can achieve so much more – for the civil service, for local people and the country at large. ■

Alan Whitelaw is property director at the Government Property Agency



How can we plan for the future

With public funding for development down and expectations up, **Nick Walkley** says the future of regeneration will need new forms of collaboration across sectors

Strolling through the amazing spaces and places created by the Kings Cross development or experiencing the vibrancy of Manchester City Centre, one begins to wonder if a generation of urban regeneration is coming to an end, when projects cease to be about future applications and instead part of the fabric of a place. What is the next wave of major projects and how will they differ?

What is clear is that, while many of the local and community leadership challenges of regeneration remain, there have also been dramatic shifts in the context. We now know an awful lot more about what does and does not work, but expectations and funding are shifting.

It is all too painfully clear that there is a lot less public money available. Previous Government funding to deal with scheme viability and pump prime infrastructure now look like luxuries; for younger colleagues 'gap funding' probably needs explaining. The wider post-Covid economic challenges mean that private financing has also been far harder to come by and the period of low stable interest rates looks more like an outlier and not the new normal.

That cash crunch comes at a time when expectations about what a scheme might deliver feel to be, not unreasonably, increasing. Multiple reasons contribute to this rising demand, from social pressures, the short-term pinch points of green transition, austerity and a need to fund critical infrastructure.

Funding is down, expectations are up, and the gap between the two seems to be getting bigger. The short-term costs of a transition to a greener economy are hard to avoid if we are to design places that are truly sustainable in the longer term.

And of course, austerity means that affordable housing



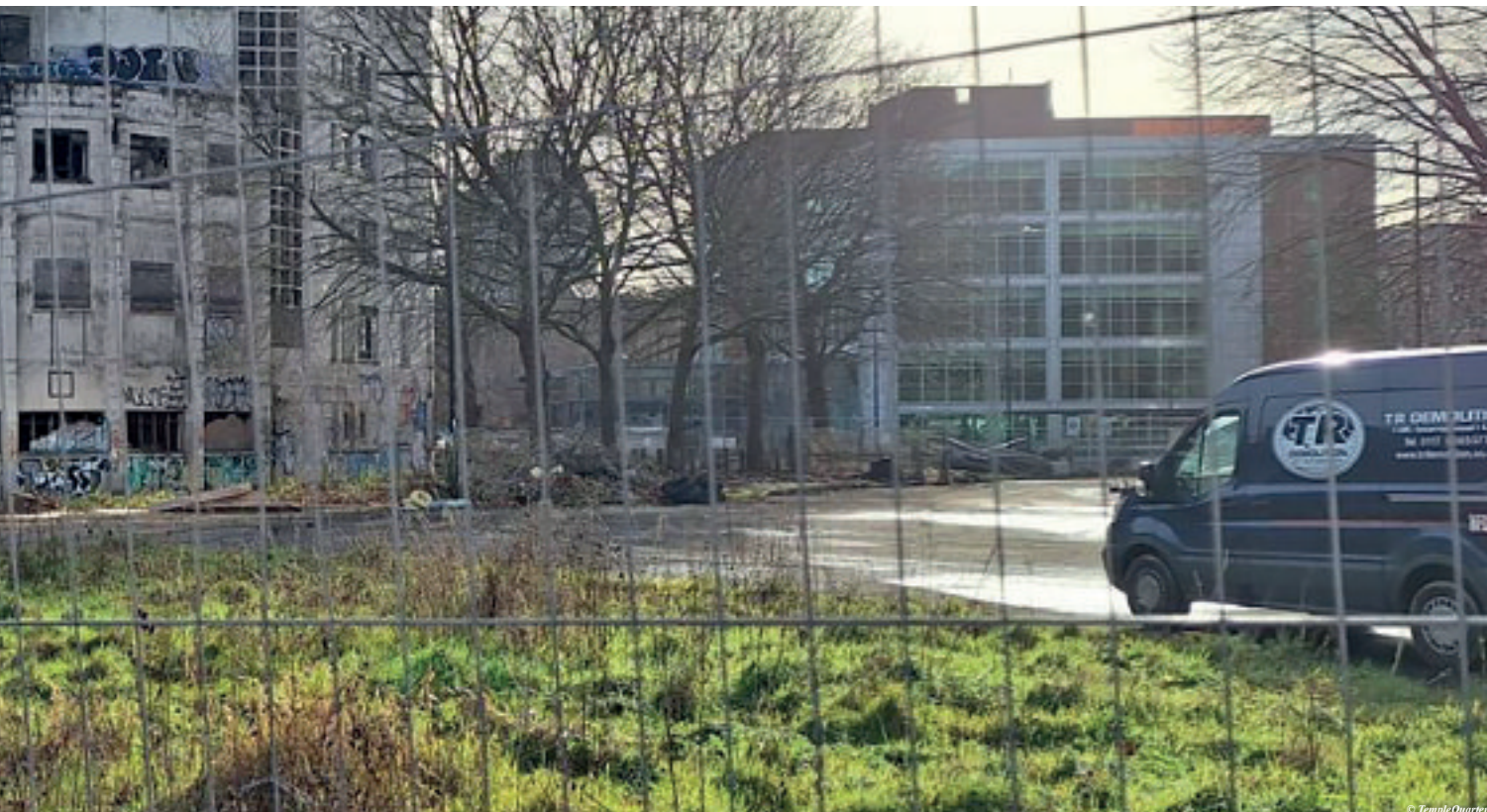
Legal & General's proposals for the mixed use regeneration of Temple Island, part of the wider Temple Quarter development which is in progress (*above*)

and wider social infrastructure will also need to be provided within a scheme. The possibility of using available or adjacent capacity is long gone. Even the most basic of infrastructure such as available power and water are proving to be barriers to development.

All of those factors often lead to a counsel of doom, and

I have certainly heard plenty of views that the next wave of regeneration will be on more challenging sites with too many expectations, uncertain regulation and too little public funding.

Urban regeneration is never meant to be easy. It should be about addressing real social, economic and built environment



Future of urban regeneration?

challenges holistically. It is also about seeing challenges as opportunities, deficits as potential. Perhaps a next ‘wave’ needs to recalibrate for these new opportunities.

To do that may require a shift in the nature of leadership and partnerships needed to drive this next wave of regeneration. Public sector leadership and funding to deliver on regeneration will remain central, but at a time of scarce resource we should not assume that will always be led by or come primarily from local government. Now may be the time to ask which local institution is best placed to deliver the long-term strategic leadership necessary to ensure a scheme delivers.

Elsewhere in the world we see universities or hospitals playing a far stronger role in urban regeneration and leading the partnership that support innovation, wider investment and economic growth. Perhaps some UK cities might begin to ask more from their higher education partners in terms of capacity and leadership. Likewise, we should see a shift to greater capacity focused in combined authorities to lead and drive change. It is also possible to imagine variations of development corporations designed around the right leadership, capability, and accountability far beyond current arrangements.

This is not to replace the rightful representative role of a local authority but to ask questions about which institution is best placed to deliver the leadership capacity and capability necessary to drive the partnerships that can deliver in the longer term. Indeed in some cases a clear role for local politicians being seen to hold other parties to account, ensuring transparency and community engagement, might advance schemes.

At a time when many in the sector face profound short-term challenges, it may be wise to reevaluate wider capacity and leadership skills to ensure projects and opportunities are sustained. Who is best placed to lead this and how might we support is a question worth asking.

Similarly, the future of urban regeneration will demand new forms of collaboration across sectors. The Bristol Temple Meads Regeneration Scheme is a prime example of a seemingly complex mix of public and private partners.

The city’s Temple Quarter Enterprise Zone utilises a unique strategic partnership that includes Bristol City Council, Homes England, Legal & General, University of Bristol, Network Rail, the West of England Combined Authority, and delivery partners, to provide the necessary placemaking skills for long-term success. That partnership is delivering ambitious new conferencing, university, innovation, and rail facilities, but has also collectively prioritised the inclusion of affordable housing and new employment opportunities for the local community.

Urban regeneration is never meant to be easy. It should be about addressing real social, economic and built environment challenges holistically. It is also about seeing challenges as opportunities, deficits as potential

This blend of education, science, major employers, local authorities, and the private sector all as both a developer and long-term funder, will be unique to each place and require high levels of leadership and organisational collaboration.

Schemes such as the Helix in Newcastle also point to the changing nature of the partnership within the private sector. Traditionally schemes have often hinged on the relationship between a local authority and the developer.

We are all familiar with the major names (and often the lack of competition) in this space as well as the challenges

of those contractual marriages. Helix points to a different model where, alongside the city council and university, the funder, in this case Legal & General, play a much more proactive role in the partnership and shaping of the development.

At a time of scarce public funding future regenerations will likely see a much more front and centre role for that long-term patient capital. It is well matched to long term, lower risk and return investments that urban regeneration can offer, not least in affordable housing. Local government and its local partners will be better at understanding the objectives and needs of that capital and working with those partners to better shape opportunities as a result.

That partnership speaks to another shift, as large and particularly long-term investors themselves become increasingly concerned with investment that addresses wider environmental and social issues. The ESG agenda continues to be central to the strategic thinking of many institutions, and urban regeneration partnerships present significant potential to generate returns and address these.

There are reasons to be optimistic as the successes of the past two decades provide us with exemplars and plenty of lessons to learn. What is next will require similar ambition – large institution investors often want scale, new partnerships and models of leadership, but we also should not be naïve as long-term projects are risky and will evolve. That means the public sector will have to support any partnerships and funding, not least for basic infrastructure, and social housing will continue to have a critical role to play in enabling and leveraging the funding and leadership necessary for that next wave. ■

Nick Walkley is principal and UK president at Avison Young

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Housing Revenue Accounts – what questions should you be asking?

With more than 1.2 million households in this country on council housing waiting lists, it is unsurprising that a widespread consensus has emerged in recent years that local government has a critical role in the delivery of social housing. Yet there have been notable changes in councils' approach to that role over time, ranging from acting as facilitators, enablers, and partners with the private sector, to the establishment of housing companies. In recent years Local Partnerships has worked with a growing number of councils who are interested in reopening Housing Revenue Accounts (HRA) and delivering homes directly themselves through that mechanism. Is this 'back to the future' approach likely to become more popular in future?

'How do you go about reopening the HRA?' is a question the Place team at Local Partnerships is often asked. On one level – legally and practically – this is an easy question to answer: the council simply needs to make arrangements to open up a separate, ringfenced account for the purposes of developing and managing homes in its ownership. While the mechanics of reopening an HRA are simple, councils are likely to face greater challenges in interpreting and applying the rules relating to HRAs, not least where the corporate memories around HRA ringfences may have been lost many years ago, as councils transferred their housing stock. Councils should not embark on this process lightly, nor without specialised expertise.

Yet this is probably not the biggest question for councils to ask themselves; that is surely 'Should we be reopening an HRA?'. It is my view that the sector should learn lessons from the recent past, when too many councils embarked on establishing their own housing companies before really asking that question of themselves. In recent years, we have helped many councils who are dealing with the consequences of those decisions.

Certainly, there are potential benefits arising from reopening an HRA. Primarily, these benefits are around the



opportunity for the council to intervene directly, and at scale, in providing more social housing in its area. It's important to bear in mind that councils are only permitted to own up to 199 properties before being compelled to reopen an HRA. In many areas, with the changing shape of the Registered Provider (RP) sector meaning that stock transfer RPs have merged into larger, more commercial, but less local, entities, elected members are increasingly of the view that it falls to local government to fill that gap.

Faced with widespread housing need, it is little wonder that this approach is increasingly appealing to many councils.

As well as the critical objective of meeting local housing need, reopening an HRA may also have other advantages. These include the benefits of more direct control over developing and delivering business plans for social housing; we have seen too many councils establish housing companies only to encounter



difficulties in oversight and scrutiny of their own companies.

However, before embarking on this approach, councils also need to recognise the challenges and obligations that come with re-opening an HRA. As well as providing great potential to address housing need, such a decision will bring significant challenges.

Reopening an HRA will involve a skills and capacity challenge, as councils work to understand and apply HRA rules (not always a simple task). At least initially, one of the key capacity challenges will be around financial and business planning expertise, as councils work to develop a viable HRA business plan. Councils will need to consider whether any land or existing homes, currently within the General Fund, should be transferred to the HRA. If so, councils will need to consider the allocation of costs and revenue on everything from grass cutting to garages. A multitude of policies will also need to be prepared if they do not already exist, covering areas from allocations to voids.

stock (potentially through the HRA), or site disposals, potentially through a development agreement that includes social housing obligations over and above planning policy.

There is an array of levers in front of councils, and understanding which combination of levers that councils should pull, can be complex – yet highly rewarding. In the right local context, reopening an HRA may indeed be part of the solution.

In other words, the answer to the question which councils should be asking themselves – 'should we be reopening an HRA?' – will depend on local context and circumstances, rather than a preconceived policy position. If current trends continue, it will be a question that the Place team at Local Partnerships will be helping more and more councils to answer in the years to come. ■

Martin Walker is Senior Director at Local Partnerships @LP_localgov www.localpartnerships.gov.uk



For an informal discussion about your housing requirements, please contact **Martin.Walker@localpartnerships.gov.uk**. Local Partnerships is proud to be part of the public sector. We can be directly procured thanks to our joint ownership by the LGA, HM Treasury and the Welsh Government.





Big can be beautiful

A new 6,000-homes community near Rugby is seen by its master developer as the way forward for tackling the housing crisis, as **Michael Burton** reports

Arite of passage for all new housing ministers in the past decade has been a visit to the new community of Houlton near Rugby. It is the site of what will become more than 6,000 well-designed homes, set in 1,200 acres of open space on former BT land, with an award-winning secondary school.

What makes this more than just another housing estate is the belief by its master developer that such a large-scale project is the key to tackling the homes shortage, especially in England's South East, and addressing voter opposition to new build by creating inspiring developments that add to, rather than denigrate, the environment.

Nigel Hugill, chief executive of Urban and Civic, the developer behind the project which is backed by Aviva Investors and other partners, including Homes England, says: 'The political mathematics are such that there is no realistic prospect of housing the fast-growing population within 100 miles of London without an increased contribution from large sites. That involves two basic imperatives: shortening the period to first house completion and accelerating quality delivery thereafter.'

Both Labour and Conservative politicians have taken an interest in Houlton, with shadow climate change secretary Ed Miliband being a recent visitor, along with a succession of housing ministers. It is not difficult to understand their interest.

Built on the brownfield site of a former BT radio mast site next to the M1 and M6, but close to open countryside, Houlton already looks like a settled part of the landscape even though the first residents only moved in from 2017.

Designed to be a completely new community, it includes schools, shops, community facilities, sports pitches and employment space, linked together with a network of green open spaces and active travel networks. Once complete, it will deliver 6,200 homes, up to 100,000 square metres of employment floorspace, primary and secondary schools, a new health centre, and local leisure and retail facilities.

The well-designed homes from a variety of different builders are varied in style and size from two to four

bedrooms, set on roads that are curved rather than uniformly straight, to create the sense of villages while affordable rented homes and market-rented homes were available from 2022.

According to the company, earlier sales rates were higher than the surrounding area. In between the homes are numerous cycle lanes, wildlife corridors and walking paths and sustainability has been hard-wired into the development, while a new 5km access road links Houlton to Rugby town and the site is next to green belt. The new secondary school is based in the listed former BT radio station, where its first transatlantic call was made from in 1926 – to Houlton in Maine, USA, hence the name of the new community.

We enjoy working with local authorities and we want them to believe that large-scale schemes are the right way as opposed to infilling

Houlton School recently won the Royal Institute of British Architects' inaugural Reinvention Award as part of the Stirling Prize programme, showing how buildings can be sustainably refurbished rather than demolished. A health centre is planned subject to the NHS decision-making process.

Urban and Civic, now owned by the Wellcome Trust, describes its business model as being founded on the belief that it was 'impractical to meet housing requirements without an increased contribution from large sites' and that it is 'possible to deliver high quality, locally endorsed and sustainable large sites.'

It adds that 'large scale unbroken blocks of land within 100 miles of London are the essential foundation of our master developer model.' And it describes the aims of its model as to target 'big complex sites in key growth locations, invest in the land for long-dated returns, work

with like-minded partners and recognise every site deserves a bespoke approach.'

It describes itself as a wholesaler to housebuilder retailers, selling parcels of land to the builders and in total has 14 large sites, of which eight are in delivery, 11 partners including Homes England, 18 stakeholder local authorities and 30 housebuilding customers. In the case of Houlton, an overarching masterplan set the core structure for the site and at a later stage, more detailed design codes were set out for key phases of development, with landscape and open space networks prioritised and infrastructure delivered. Development parcels are then sold to housebuilders, to be developed in line with the design code.

Homes England chair Peter Freeman says the business model 'is based on a long-term commitment to placemaking, making the delivery of social infrastructure and schools an up-front commitment rather than a neglected afterthought'.

Urban and Civic's director of strategy and planning James Scott says having control of the land is vital along with local authority commitment.

He adds: 'You've got to have control of the land or have landowners cooperating though we won't work with more than three. The magic ingredient is the involvement of the local authority leader and chief executive with a long-term business plan. We enjoy working with local authorities and we want them to believe that large-scale schemes are the right way as opposed to infilling.'

Urban and Civic chief executive Nigel Hugill, who also chairs the Centre for Cities and led the Olympic Games development in east London in a previous role, argues that large sites led by a master developer enable quality building with space and proper planning for vital infrastructure and sustainability, advantages often lost where new housing is crammed into small sites. The essence of the large-scale development is a sense of community 'as flexible working means people don't want dormitory towns anymore' while he tells *The MJ*: 'We can't get close to meeting housing needs without large sites.'

He adds: 'I predict a Government will bring forward big sites and they'll be on local government owned land.' ■

The St Basils scheme is set to benefit many people aged 18-25; (below) one of the apartments being lived in so far



Unlocking true social value through partnership

By Paul Bingham

Equans is incredibly proud to have played a significant part in delivering one of the best examples of social value in the country, through our work with St Basils youth homelessness charity in the West Midlands.

Our partnership with St Basils, our admiration for their work and vision, coupled with our desire to bring our regeneration expertise to the table, has yielded incredible results for vulnerable young people in the region.

In the case of St Basils, their mission is clear and that is not only to tackle youth homelessness, but to support young people to build lives and careers for themselves. Therein lies the introduction to the Live & Work project – a groundbreaking scheme that offers young people aged 18 to 25 at risk of homelessness the chance to have a home, develop their skills, and increase their opportunities.

Equans's relationship with St Basils began a decade ago with phase one of the Live & Work scheme, which saw us work with the charity and Sandwell and West Birmingham NHS Trust to transform derelict former nursing accommodation into an aspirational young workers' village.

Tenants live student-style, with furnished bedrooms and shared communal spaces to create a community atmosphere. On-site St Basils staff are on hand to help residents adjust to the demands of living independently – the village offers truly supportive rather than supported accommodation.

The scheme offers high-quality, low-cost accommodation for up to two years at truly affordable rents – just £50 per week, inclusive of energy costs. It means young people don't need to claim benefits and can take on apprenticeships or entry level roles whilst still being able to afford

to keep a roof over their heads and save for future housing plans – offering them a stable base to start their careers.

Equans supported St Basils to secure grant funding for the project, ensuring it didn't accrue any debt, and we then designed and delivered the work at cost.

More than 170 young people have lived in the apartments so far, and not one has gone on to experience further homelessness, despite being identified as high risk to do so.

Following the unparalleled success of phase one, the partners joined forces once again to deliver phase two of Live & Work, where we hope to build on the legacy and already extraordinary outcomes the project has achieved with 54 self-contained furnished apartments, designed to give young people the opportunity to take their next step

towards independent living at truly affordable rents.

The original partners extended this time to include Sandwell Council, LandAid and other charitable funders.

One of the reasons the Live & Work project has been such a rousing success is because every partner involved was wholly committed to the cause and to finding a holistic approach to a very real issue facing young people in the region.

Sandwell and West Birmingham NHS Trust was able to identify and offer up unused accommodation, as well as providing apprenticeship and employment opportunities for the village's young residents; Equans has the knowledge and expertise to design and deliver the new workers' village, and St Basil's is primed to detect young people at risk of homelessness and support them to springboard their careers.

Three different sectors came together and used their collective expertise to make a difference and that is the ultimate key to successful partnership working and, in this case, successful social value too. ■

Paul Bingham is Regional Director for Equans UK & Ireland



'We are hugely grateful for the support Equans has provided on this project. Projects of this nature only work when they have partners who are committed to looking at old problems in new ways. The Live & Work concept is about providing opportunities for young people where traditional routes into housing are unavailable. By creating truly affordable housing which enables young people to live and work without the complexity of navigating complex benefit systems, ultimately benefits everyone.'

– Jean Templeton, Chief Executive of St Basils