

# Spotlight

## HOUSING: BUILDING THE NEW ECONOMY

James Cartlidge MP / John Healey MP / Jane Duncan



# How can we build a better tomorrow?

The construction industry faces a desperate need to diversify, writes Construction Youth Trust's marketing and communications manager Lucinda Darby

The construction industry has known for many years that we are facing a skills shortage caused, in part, by an ageing workforce. According to the Office of National Statistics (ONS) almost one in five of UK construction workers are now aged 55 or over and are set to retire over the next 5-10 years. Only about 10 per cent of those working in the industry are aged 19-24, with 1-2 per cent aged 16-18.

In November 2016, CITB reported that more than 157,000 construction jobs are set to be created in the next five years. However, how many young people consider construction as a career? Are they aware of the range of roles available and the opportunities it can bring them?

## Lack of young people

Construction Youth Trust is working to raise awareness of the range of construction careers available to young people. In the third quarter of 2016, 857,000 people aged 16-24 were NEET (Not in Education, Employment or Training), representing 11.9 per cent of the age group (ONS, November 2016). Through the provision of courses aimed at both the trades and professions Construction Youth Trust enables these young people, who are often the hardest to reach, to discover the vast array of careers construction can offer.

Giving young people the chance to experience construction first-hand through Construction Youth Trust courses and work experience placements, the future talent of the industry can be exposed to the wealth of careers open to them in construction and the built

environment. It is not just young people who need to be reached, but their parents, teachers and stakeholders – to be made aware of the roles available and the progression options they offer. It is often teacher and parental influence that helps form a child's career choice. Those influencers need to be well educated about the built environment; as the construction industry suffers from an image problem.

## Diversity in construction

Vital to the growth of the industry and key to attracting more young people is to ensure the construction industry continues to challenge negative perceptions and celebrate diversity – specifically around encouraging more women and those from the LGBT community to take up the trade. The diversity of the construction workforce is, unfortunately, still poor. Only 11 per cent of the sector are women, and only 1-2 per cent when it comes to the trades. Last year Construction News revealed that just 7 per cent of LGBT employees within the construction industry would recommend it as a 'great place to work', with over two thirds of staff reporting having heard offensive or homophobic comments. Campaigns such as Construction Youth Trust's #notjustforboys are a step in the right direction towards altering perceptions.

## Part of the solution

By encouraging more young people to enter the sector, this will in turn address the lack of diversity in the industry by bringing in a wide array of talent which accurately reflects 21st century Britain.

There are many construction companies and corporates who support the work of the Trust by offering work placements and funding courses and campaigns – but with more support, more young people could be reached. The future of the industry depends on it.

**For more information please visit:**

**[www.constructionyouth.org.uk](http://www.constructionyouth.org.uk)**

**Follow us on Twitter:**

**@ConstructionYT**

IN ASSOCIATION WITH



CONSTRUCTION  
YOUTH TRUST

# The estates of the nation



**T**he first tipping point for UK housing occurred in 1971. For the first time in the country's history, the number of owner-occupiers in the UK became equal to the number of people in rented accommodation, and the UK became a nation of homeowners. This was a new and transformative state of affairs; 50 years earlier, the vast majority – more than three-quarters of the population – rented.

It is hard to understate the influence this shift had on modern Britain. The first Thatcher government was quick to capitalise on the trend, and although the motivation behind it may have been more to do with removing the state's influence on individual life, the Housing Act of 1980 may in retrospect be seen as the most politically astute policy of the 20th century. At a stroke, the Tories gave six million people the keys to an aspirant, middle-class life that was defined by home ownership. More than a million council houses were sold before the next election. Labour found itself unable to oppose the policy of selling off the country's huge wealth of social housing, either in opposition or in government, and no government since has had any real incentive to reduce demand. A generation was enriched by unearned wealth: by 2013, a house bought in 1980 had increased in price, on average, by almost 900 per cent.

The second tipping point occurred in 2011. Having peaked at almost 70 per cent in 2001, home ownership in the UK fell for the first time in a century, and the proportion of people renting from private landlords exceeded those in social housing for the first time since the 1960s. By Thatcher's timetable, the transformative policy based on this shift should arrive in 2020. The party that enacts it has everything to gain.

## NewStatesman

2nd Floor  
71-73 Carter Lane  
London EC4V 5EQ  
Tel 020 7936 6400  
Subscription  
inquiries:  
Stephen Brasher  
sbrasher@  
newstatesman.co.uk  
0800 731 8496

*Special Projects Editor*  
Will Dunn  
*Special Projects Writer*  
Rohan Banerjee  
*Design and Production*  
Leon Parks

*Commercial Director*  
Peter Coombs  
+44 (0)20 3096 2268  
*Account Director*  
Humza Malak  
+44 (0)20 3096 2267

The paper in this magazine originates from timber that is sourced from sustainable forests, responsibly managed to strict environmental, social and economic standards. The manufacturing mills have both FSC and PEFC certification and also ISO9001 and ISO14001 accreditation.

First published as a supplement to the *New Statesman* of 10 Feb 2017. © New Statesman Ltd. All rights reserved. Registered as a newspaper in the UK and US.

**This supplement and other policy reports can be downloaded from the NS website at: [newstatesman.com/page/supplements](http://newstatesman.com/page/supplements)**

## 4 / John Healey MP

The Shadow Housing Secretary states Labour's commitment to affordable and social housing

## 6 / Infographic

The housing market at a glance: what are the key figures?

## 8 / James Cartlidge MP

The Chair of the APPG for Housing and Planning explores the rent-own stand-off

## 12 / Barking and Dagenham

What is place-making? Council leader Darren Rodwell explains

## 16 / Jane Duncan

The president of the Royal Institute of British Architects considers the impact of Brexit

## 28 / Dr. Jo Patterson

Is environmentally friendly housing really sustainable?

In seven years, the Conservatives have failed on housing – it's up to Labour to give middle Britain hope again, writes **John Healey MP**

# Every Briton deserves the chance to own a home



**I**t's almost seven years since David Cameron entered Downing Street. Tory Ministers might still like to blame Labour for the country's problems but that excuse is sounding increasingly desperate. Nowhere is that more true than on housing.

Seven years in, the record of Conservative Ministers on housing is one of failure – on all fronts. In fact, there's few areas of domestic policy where they've been so disappointing, and where the gap between Ministers' rhetoric and the reality for the public is so wide. It's part of the reason why Labour retains a lead in the opinion polls on housing, with the NHS the only other issue for which this is true.

Ahead of a long-delayed housing relaunch and White Paper scheduled to

be published any day now, it's worth remembering the Conservatives' record in the last seven years: the number of homes being built fell to the lowest level under any peace-time PM since the 1920s, rough sleeping homelessness has more than doubled since 2010, the number of affordable sub-market homes fell last year to the lowest level in 24 years, with the number of genuinely affordable social rented homes sinking to the lowest level since records began. Meanwhile, spending on housing benefit has risen by £4bn-a-year despite swingeing cuts, as the benefits system has had to try to do more to plug the growing gap between housing costs and household incomes.

But while people recognise – and perhaps by now expect – Conservative





failure on homelessness and on affordable house building, I have also made it my mission to see that Labour focuses on an area of housing failure where Tory governments traditional pride themselves – home ownership.

An under appreciated fact is that under a Labour government from 1997 to 2010 a million more households became homeowners, but since 2010 the number of homeowners has fallen by 200,000. For young people it's in freefall, with over a third of a million fewer under-35s who now own their home than in 2010.

The fall is starkest amongst those on low and middle incomes, and spread across the regions – in Yorkshire and the East Midlands, not just in London and the South East.

This is a big problem for Conservative politicians who have tried to take the mantle as the party for homeowners. It shows starkly that housing pressures aren't just getting worse for those at the sharp end of the housing crisis. This is hitting middle Britain, too.

Alex Morton, one of David Cameron's advisers, admitted: "This housing crisis, and the related feeling of unfairness, is the one thing Labour under Jeremy Corbyn could use to claw back into power." So after a US election, during which Donald Trump's supporters widely touted the fall in home ownership as an example of how ordinary Americans were shut out of the gains of national economic success, the Tories underestimate the significance of falling domestic home ownership at their peril.

It's a problem for us all. Most British people own a home or want to, and we want the same for our children, but young people on modest incomes who can't rely on financial help from their family are increasingly locked out of the housing market.

This steep decline is why I commissioned the ground-breaking Redfern Review, which I launched last Autumn. Led by Taylor Wimpey's chief executive, Pete Redfern, this was the first major inquiry into home ownership for over a decade. It details the causes of the decline in home ownership with unprecedented rigour, and sets the basis for my determination to put widening the opportunity for home ownership at the heart of Labour's approach.

Wanting to help to boost home ownership runs deep for Labour. Back in 1965, the housing plans on which Harold Wilson would fight the 1966 general election promised that: "The expansion of building for owner occupation . . . reflects a long-term social advance which should gradually pervade every region."

Anthony Crosland, a former cabinet minister with responsibility for housing, pledged five years later: "Both as a party and as individuals we are strongly in favour of home ownership."

At root level, the decline in home

ownership is a deep concern for Labour because what matters to so many people in this country matters to us as a national party. And it also matters to Labour as a party committed for over a century to fighting inequality.

Housing accounts for about 60 per cent of total household wealth in Britain, excluding pensions. The bottom 10 per cent in property wealth is £2bn in debt while the top 10 per cent own about £1.5 trillion in property. The shrinking opportunity for young people on ordinary incomes to own a home is at the centre of the growing gulf between "housing haves" and "housing have-nots".

The next Labour government will take action to fix the housing problems that so many people face. At the core of our new deal on housing will be a new national programme of affordable house building. I've set out previously in a report for the Adam Smith Institute think tank how a Labour government could build and pay for at least 100,000 genuinely affordable homes a year – trebling current levels of building. And we'd help renters with the cost and standard of housing with a new charter of renters' rights.

But because for Labour our history, our political ambition and our principles all point to helping to boost the number of home owners as well as action to fixing the wider housing crisis, we'd also make it a priority to give young people on ordinary incomes the chance to become home owners.

We will prioritise the building of discounted homes to buy as well as council homes to rent, target government support to buy a home for young people on low and middle incomes who have suffered the most under the Tories, and look at fresh help for the close to one million existing home owners who struggle with unaffordable mortgage costs.

The Tories' seven years of failure on housing on all fronts gives Labour the opportunity to show the difference a Labour government to make – not just on affordable housing and homelessness, but on home ownership too.

**BY THE NUMBERS**

# The bank of bricks & mortar



## **HOUSING WEALTH IS CONCENTRATED**

London and its commuter region comprise almost half of UK housing value, at over £3tn.



## **PROPERTY IS BIGGER THAN BUSINESS**

Housing stock is worth 1.5 times the value of all the companies listed on the London Stock Exchange.



## **HOUSES EARN MORE THAN WORKERS**

UK housing is valued at 3.6 times gross domestic product. The global average is 2.7 times GDP.



## **SOME AREAS ARE RISING AT ALMOST 20 PER CENT PER YEAR**

House prices in Luton rose by an average of £42,000 in 2016, or 19.4 per cent.



## **LARGE AREAS ARE UNAFFORDABLE**

In 2015, the average house price in 79 local authorities exceeded 10 times the local average salary.



# Why our housing market must become tenure-blind

**Chair of the All-Party Parliamentary Group on Housing and Planning, James Cartlidge MP, addresses the intergenerational crisis in housing**

**W**hen it comes to housing there is one measure of stress and strain where we've never had it so good, at least not for a long time. In the recessions of living memory for most readers – the 80s, 90s and noughties – a symbol of the most painful economic periods was families forced to “give back their keys”, i.e. surrender their home, repossessed by the mortgage lender. Today, most recent figures show repossessions at near decade lows and mortgage arrears at 20-year lows. You might ask: housing crisis, what housing crisis?

In fact, what this emphasises is how unique our housing policy conundrum really is. Mortgage repossessions may be at historic lows, suggesting very few existing homeowners are struggling to keep the roof over their head, but those not yet able to get a foot on the property ladder find entering the market in large



swathes of our country next to impossible. Meanwhile, for those in private rented accommodation, there is growing evidence that the cost of housing is reaching breaking point.

In my view, it is the starting point of any housing policy assessment to understand where the pressure bites greatest. Yes, we have a huge challenge with first-time buyers but this is a crisis of aspiration, not usually of basic need. Morally, it is surely right to recognise that households threatened with homelessness face the greatest immediate threat to their wellbeing, and that therefore, the term ‘crisis’ most aptly refers to those at this insecure sharp end.

As my Ministerial colleagues rightly point out, overall homelessness is still 57 per cent less than its 2003/04 peak, yet it is worrying that the proportion of households made homeless due to the end of an Assured Shorthold Tenancy





**“Renting is less susceptible to boom and bust”**

SHUTTERSTOCK/PAUL MACQUIRE

rose from 15 per cent in 2010/11 to 31 per cent in 2015/16. The figure for London is now over 40 per cent. This suggests that the sheer cost of housing is overwhelming many tenants, with the ‘safety net’ of housing benefit no longer catching up with rising rents (and unlikely ever to do so because of how much it costs the taxpayer).

Before I am accused of criticising my own side, the relentless rise in the cost of housing has beset Britain for decades. House prices rose 200 per cent from 1997 to the 2008 credit crunch. In those ‘living memory’ recessions I referred to we used to have a good old house price crash to restore genuine affordability for a period, albeit accompanied by broader economic pain. But the severity of the crash in 2008 forced a policy response of cheap money and monetary stimulus – ‘funding for lending’; quantitative easing; help to buy etc. – that probably avoided a Greek-style cataclysm but has perpetuated ever more elevated asset prices, including housing, in much of the UK.

What matters is the policy response and a fairly fundamental change has occurred since Theresa May became Prime Minister and Gavin Barwell took over as Housing Minister. In his first Ministerial speech last September, Gavin Barwell committed the government to supporting the rental market and saying that there should not be a focus on “one single tenure”. This was unquestionably a departure from David Cameron’s government’s headline focus on home ownership.

To be clear, I have no problem with supporting aspiration, for we are facing an inter-generational crisis and the real prospect of widespread home ownership ebbing away. And I have been a practitioner: prior to becoming an MP I ran my own business for 11 years initially as a mortgage broker and then engaged in running a shared ownership property portal and home show. Having spent over a decade helping first-time buyers on a daily basis it was not difficult for me to support the Cameron government’s home ownership thrust.

But my business also had a link up with Broadway, the homeless charity now part of St Mungos. I was part of a panel awarding grants to homeless clients who were seeking to get back on their feet and start a business, such as a market stall. For me, the housing market has always been one joined-up whole, not segregated parts. A housing policy that works for everyone must be tenure-blind and give the greatest attention to those in greatest need. Quite simply that means delivering more supply across all tenures.

To put this into practice, the next major policy step is the forthcoming (at the time of writing) Housing White Paper. The big question is to what extent the government can deliver true ‘additionality’, that is, genuinely additional supply of housing that would not have taken place without a specific intervention, and which enables delivery numbers to accelerate past year-on-year averages. We might expect further support for small builders and housing associations to take up the slack from the major developers; policies to help more councils deliver quality Local Plans with more affordable housing; and measures to tackle the skills gap that already exists before we even consider the potential impact of Brexit.

I hope that in the years ahead a significant part of genuine additionality will come from a major ‘build-to-rent’ programme consisting of institutional investment and increasingly off-site, modular construction of homes to rent at a range of price points, including sub-market. One of the biggest challenges in housing is that hundreds of thousands of planning permissions remain unbuilt. In contrast with the natural tendency of sites for sale to roll out in phases, a site for rent must be occupied – and therefore delivered – as quickly as possible. Rental development is also counter-cyclical, i.e. less susceptible to ‘boom and bust’. Whatever the detail, there is no housing magic wand. We need a broad thrust of increased supply across all tenures to deliver a truly sustainable market.

# Breathing new life into communities

Estate regeneration isn't just about improving buildings, it's about all the possibilities that come with a good home, writes **Helen Evans**, chief executive of Network Homes



**I**t's easy to think of estate regeneration in purely physical terms. Housing is renewed through a process of refurbishment, demolition and rebuilding. But it's about so much more than bricks and mortar. It's about all the possibilities that come with a good home. Regenerating rundown areas helps to improve quality of life, transform urban landscapes, restore pride and boost local economies.

#### Tackling the housing crisis

At Network Homes we have developed a real expertise in estate regeneration because we believe it can also play a major part in tackling the housing crisis and enhance people's lives.

Many post-war housing estates were built at relatively lower densities than the streets they replaced, often with large areas of under-utilised land. So, regeneration offers important opportunities to build much needed extra housing in our towns and cities.

In its Estate Regeneration National Strategy, the government has recognised the potential for regeneration to deliver thousands of additional homes over the next 10-15 years. It has added an extra £32m to the £140m estate regeneration fund, meaning councils, housing associations and developers can now bid for a share of £172m to transform deprived housing estates and deliver high-quality housing.

#### Best practice

The Mayor of London's new draft good practice guide for estate regeneration vows to put local people, not buildings, first. A key foundation of the guide is that successful regeneration relies on close consultation with residents.

This resonates strongly with our approach at Network Homes. We are currently leading the regeneration of four large estates in London and Hertfordshire, working in partnership with local authorities, developers and

IN ASSOCIATION WITH





communities to develop and regenerate over 2,000 homes and breathe new life into local communities. This includes the regeneration of the 1,400-home Stockwell Park Estate in Brixton.

### **Stockwell Park Estate**

Built in the 1960s by Lambeth Council, the Stockwell Park Estate comprised numerous five-storey buildings connected by elevated concrete walkways. It was designed to be self-sufficient with its own shops, a medical centre, pub and day care centre for the elderly.

As the years went by, the estate became a haven for crime and anti-social behaviour, exacerbated by the walkways and other inherent design faults. Local residents made huge efforts to turn the estate around, but neither they, nor the council, could resource the vital regeneration programme needed.

In 2005, Network Homes was chosen to partner with the community, take

ownership of the homes and regenerate the estate and neighbouring street properties to create a place that people would once again be proud to call home. Since then we have invested more than £100m on refurbishment, new builds and community enhancement with a further £75m earmarked for completion of the programme.

### **Vibrant communities**

So far we have renovated 457 homes, both inside and out; built 473 new homes for rent and sale; and provided housing across all tenures from affordable rent to first-time buyer homes and extra care for the elderly. The mixture of tenure-blind architecture has given the estate a new public face, reconnecting it with the surrounding neighbourhood.

Yet while the urban fabric has been repaired and uplifted, we've been careful to preserve the soul of the estate. Existing tenants have had the right to return to a brand new social rent home, but we have also built more homes for sale. Ultimately, the result will be a thriving, culturally and economically diverse inner-city community.

Take our award-winning Park Heights development. A landmark 20-storey building which replaces a former rundown 1960s tower block. It contains a mix of 75 apartments for outright sale and 84 homes for social rent. All residents, regardless of tenure, have a concierge service and everyone uses the same dramatic double height entrance to the building.

### **Consultation**

Open and transparent consultation with residents from the outset has been key to Stockwell Park's success. In the extensive community consultation about the future of Park Heights for example, over 80 per cent of residents voted to rebuild rather than refurbish the original building. So that's exactly what we did.

### **New opportunities**

As well as creating new homes, we've been opening up possibilities for

the people who live on the estate, especially young people. In 2013 we set up an apprenticeship scheme to give unemployed young people an opportunity to come and work for Network Homes. And we've worked with our contractors to offer on-the-job training and permanent jobs to over 20 people since then. More than 300 local people have taken part in the job fairs and various skills training courses and business start-up classes we have run.

Making residents feel proud of their estate has been an important part of the process. To 'green up' the estate and restore pride, we appointed a leading gardening advocate who runs a sustainable gardening project. We consulted with residents on what they wanted to see and the project now runs weekly planting days to help deliver their vision. The gardening group provides a valuable opportunity for the more isolated people in the community to come together, learn new skills and make friends. It has even introduced an annual Stockwell in Bloom Competition.

We've also created seven new play areas for children and are investing over £1m to improve the community centre.

### **Resident empowerment**

In keeping with Stockwell's proud history of resident empowerment, Network Homes launched a new Local Management Organisation for the Stockwell Park Estate in May 2016 – SW9 Community Housing. This is a unique concept in the housing association sector, giving residents a greater say in how services on their estate are delivered. SW9 has its own board of which two thirds (including the chair) are residents from the estate.

Our goal has always been not just to provide the new and refurbished homes Stockwell Park so badly needed, but to retain the sense of community and resident involvement that has been such an important part of the area's history. With residents' help, the area has been transformed and that is something we are very proud of.



# Why would you want to live there?

Social housing is about more than just buildings; it's about delivering a sense of community. Barking and Dagenham council leader **Darren Rodwell** tells Rohan Banerjee about his borough's exciting plans



**B**arking and Dagenham council leader Darren Rodwell blurs the lines between politician and proper bloke quite expertly. The lifelong West Ham fan, who is a personal friend of club captain Mark Noble, is proudly working-class but “that doesn’t mean I can’t be ambitious.” On the day we meet, in Rodwell’s own oval office, he’s just put down the phone to “Nobes” and exudes a salesman-like enthusiasm. “We’ve got lots to talk about,” he assures me.

Indeed we have. Packaged as London’s “growth opportunity”, Barking and Dagenham offers some of the capital’s most affordable brownfield development sites as well as office, retail, industrial and commercial space. Excitedly, Rodwell outlines the vision for the future: “35,000 homes and 10,000 new jobs over the next 20 years. We want to

be seen as the most aspirational borough in London. There’s your headline.”

Place-making is the planning, design and management of public spaces to capitalise on an area’s assets; and Barking and Dagenham, Rodwell points out, has plenty of those. Located at the heart of the Thames Gateway with excellent road and public transport links to both central London and the Essex countryside, it has been signposted as a commuters’ paradise. “We’ve got four train lines in Barking alone; it’s the eighth busiest station in London,” Rodwell beams. “That shows you that the commuter belt is already alive and kicking. If you look at our location – 15 minutes from Statford, 15 minutes from Fenchurch Street, Westminster and St Pancras in under an hour – then you can see there’s access to thousands of jobs for our residents.” With Crossrail services due at Chadwell Heath station in 2019, Barking and Dagenham will also have a sub-one hour connection to Heathrow and London Southend airports.

Place-making, though, isn’t a transport-exclusive issue. “Commutability is not our only selling point. Yes, we can commute, but we’ve got our own jobs too. We’ve had a mass development for SME start-ups

## “Working-class doesn’t mean you can’t be ambitious”

and the art and culture scene. We’re one of the few places where you can still get £12 per square foot (annually) for artists. That’s massive and we want to make sure that keeps happening. We’re looking at live-work spaces for artists.”

Certainly, east London’s propensity to nurture creative industries is something that Rodwell really wants to get across – “We’re not doing things by



**Barking Town Square won the the European Prize for Public Urban Space on its completion in 2008**



← halves” – and the Ice House Quarter is testimony to that sell. The Bow Arts Trust is a registered charity that aims to support community renewal in east London and won a tender to create 500sqm of studio space on the ground floor of the main Ice House Court, which is owned by the council, providing much-needed affordable workspace for around 25 individual practices. Meanwhile, Barking and Dagenham College’s main campus houses state of the art photography studios and digital workspaces.

It’s worth noting that Dudley Moore, Sandie Shaw, Dame Vera Lynne and Billy Bragg all grew up in and around the borough; and Rodwell recognises the benefits of nurturing the arts. “As an ambitious council we know how valuable the creative industries are socially, culturally and economically. It is why are bidding to make Barking the capital’s first Creative Industries zone.”

Sport, as well as art, is playing a big role in Barking and Dagenham’s rise. Barking-born Bobby Moore, whom Rodwell calls “the true West Ham gentleman”, is the only England captain to ever lift the World Cup trophy. That legacy has not been forgotten – “How can it be?” – and the borough has followed Newham’s example in sporting investment. The new £23million Becontree Heath Leisure centre has delivered a facility with a 25-metre, 10-lane swimming pool; while over 100 local sports clubs, including Barking Rugby Club and Dagenham and Redbridge Football Club, are actively involved in the local community, providing a range of activities, particularly for young people.

As we move onto house prices, Rodwell fires quickly: “Tell me how many places there are in London where you could get a three-bedroom house with a 100ft garden and two car spaces on the front for £275,000.” This could do with some explanation. While Barking and Dagenham remains one of London’s cheapest boroughs, data collated by Rightmove would suggest that Rodwell’s estimation is a little



optimistic. The average house price in the borough, the data found, was actually closer to £290,000.

The day before the interview an article in the *London Evening Standard* had claimed that homes anywhere in the capital under £300,000 were becoming an endangered species. So, is Rodwell saying that Barking and Dagenham can provide some static sanctuary?

He’s not so naïve. While he does view the comparative low pricing of property in Barking and Dagenham as a plus-point in the short-term, Rodwell recognises that an asset-exclusive, ownership market has some long-term limitations. “We can’t stop natural inflation, but

what we do have to remember is that London was built on renters and the flexibility of renters. It’s not my ambition to have everyone in home ownership, but it is my ambition to have everyone in a home; which is why you’ve got to look at five different price points of what people can afford. Equally, we’re the only council that runs a right to invest programme – that’s like a council-tenant version of shared ownership.”

Is Rodwell planning to bridge the gap between the public and private sector? “There are 35,000 new homes coming over 20 years, but this won’t be social housing in the traditional sense.” Instead, Barking and Dagenham will

**An artist's impression of the new 17-acre East Dagenham studios**



**“Our mantra is that no one gets left behind”**

offer a diverse mix of tenures: more and better affordable sub-market stock, a well regulated private rented sector and a very substantially increased stock of owner-occupied housing.

It his commitment to community, Rodwell feels, that forms his and in turn the area’s guard against gentrification. “Our mantra is that no one gets left behind. We, as a borough, are looking into making infrastructure homes. When I was a kid, social housing meant getting on with your neighbours. Today it’s a derogatory term.

“If you look at the history of London, about 100 years ago, the city pulsed and Greater London was built. The Becontree estate as I know it saw 27,000 homes built over 12 years, and the entire infrastructure was done. It was the first of its kind in social housing. It brought all sorts of people – the Irish, eastern Europeans – and they settled on the estate. They were hard workers who wanted to aspire.

“So, what do we need to do in order to replicate that community? We need to talk about infrastructure homes at different levels. You’ve heard about the blue-collar and white-collar workers, well these are all people that make this city breathe. They make London what it is. I’m talking about having housing in infrastructure terms. Whether you are someone on London living wage, whether you are someone who is aspirational enough to be in the position to pay full market rent, the role of a local authority is to facilitate that and make sure that everyone feels part of that community. That’s how you go about stopping gentrification.”

The Barking and Dagenham place-making project has specialised in variety, with the Barking Riverside residential developments coming in all sorts of different shapes, sizes and, crucially, prices. The only overarching agenda in Barking town centre and the Ice House Quarter too, is that sense of belonging in the borough.

The aim, Rodwell stresses, is to provide housing opportunities for the growing number of households

that are in employment but due to the dysfunctional housing market, cannot access home ownership. This “constituency” of mainly young people are finding their housing options restricted by the London-wide expanding private rented sector, in which housing conditions and tenancy security can be poor.

Thanks to the capacity for new builds in Barking and Dagenham, Rodwell says that his council has the potential to facilitate the range and quality of homes for this economically active population alongside meeting other pressing housing needs. “Delivering new housing can help retain residents looking for more aspirational housing as their incomes rise as well as attracting new residents to the borough to support a widening of the range of shops and services. It’s all linked together.”

The East End, Rodwell concedes, used to suffer from an “image problem” but he has worked tirelessly to try to change that. “If you look at the past people would have thought that we were white racists who worked for Ford. But I happen to be white and I’m not a racist nor have I ever worked for Ford. That’s the image, though. That’s the image that was given out by people that weren’t from the borough.

“What you’ve got to appreciate is the aspiration that we’ve got in this borough. Look at where we’re going. We used to make Fords, now we’re making films. The largest film studios in 25 years are coming to this borough. What we’re doing in the arts, we’re recognised by the Mayor as having one of the biggest and most ambitious arts projects in the city. The fact that the *New Statesman* wants to talk to us is a sign of progress.

Ultimately, Rodwell puts it, you can’t have one without the other; and it is this interdependency that has themed place-making in Barking and Dagenham. “You can’t have new houses without new jobs and you can’t have new jobs or industries without houses for the workers to live in. It’s not just about making a place; it’s about creating a community.”

Leaving the European Union will force the UK to address its house building industry's skills gap, says **Jane Duncan**, president of the Royal Institute of British Architects

# Architecture beyond Europe: what does the future hold?



**W**hen even bookmakers are losing money due to unexpected events, it is perhaps time to concede that trying to second guess the future is a mug's game. So instead of writing an article full of predictions on future housing demand, the skills crisis and the opportunities that off-site construction offers, I thought I'd try something different.

We know that "Brexit means Brexit" but as somebody once said there are still a lot of unknown unknowns. We do know that a sizeable chunk of the UK population is unhappy with the status quo. I hope that politicians from all parties have heard this because at the heart of it all, Brexit seems to be about people feeling that there must be better ways forward out there which being in the EU is stopping them from seizing. Time will tell if they are right, but for better or worse, the UK finds itself in new and untested waters.

One irony of all of this is that the people who find themselves at the sharp end of the housing crisis were generally solid

supporters of remaining in the EU. Young people and city dwellers who see house prices continue to reach stratospheric heights voted in their droves to stay. These are also the people who will potentially lose the most if Brexit doesn't mean an outward-looking Britain that is open to new ideas and new opportunities.

As an architect, I'm an optimist at heart. I'm also trained to make the most of whatever brief I'm presented with – however unpromising it may at first appear. I hope that Brexit can be a catalyst that forces us to tackle the issues that we've previously filed away as too difficult. Business as usual clearly isn't an option. So here is what I think we need to do.

Firstly, we need more people to design and build new homes. The UK has a shortage of skilled tradespeople and a workforce in a sector that is getting older. We don't do a good enough job at attracting women or people from minority backgrounds into the sector. Part of the answer could be expanding opportunities to earn and learn. The



RIBA House of the Year 2016  
winner, the Murphy House by  
Richard Murphy Architects



## Diversity in our workforce will be key to improving it

✦ RIBA is currently working with a group of our members to create an apprenticeship route into architecture. I think this is the best job in the world and want as many people as possible to be able to join the profession.

At the same time, we also need to recognise that one of the things that has made the UK a global centre of architectural excellence and innovation is the ability to draw upon the best talent from around the world. The mutual recognition of qualifications means that professionals can work around the world without having to retrain. Retaining our agreement with the EU and signing new deals with places like the US, India and China are going to be hugely important to maintaining the UK's access to talent.

Signing trade deals that open up new markets to our exports is important for those companies who are looking to expand abroad. But there are plenty of lessons we can all learn even if we have no plans to move anywhere. This could mean looking at how other countries have tackled issues like the development of affordable housing, sustainable design and building on flood plains. The Netherlands builds larger, more energy efficient and more affordable homes than we do despite the fact that it faces more challenging natural barriers to doing so. One thing they've done really well is embrace custom building – allowing people to design their own homes with input from architects, builders and planners.

We should probably also look at how we make land available for development. With land prices in some areas so astronomically and artificially high, it is going to be a struggle to build homes that people can afford in much of the country. The availability of affordable land is a huge block on housing development in many places. We could look at the parts of the US that rarely make the news over here (perhaps with a more directed focus than most at the moment). If you want affordable housing and a good job then New York, San Francisco or Washington DC aren't for you; you need to look at cities like

Houston, Dallas and Atlanta. Over the last decade Houston alone has built close to 50,000 new homes a year. I'm not advocating that we consign ourselves to urban sprawl and mass deregulation, but the attitude to housing seems very different. Homes are first and foremost places to live in, but in the UK for many people they seem to be investments first, homes second. In those circumstances, we need to recognise that lots of people have a vested interest (even if it is unconscious and well-intentioned) in not seeing more homes built.

Finally, we need to make sure that the homes and communities that we are building are well-designed and good enough to live in. The government plans to spend substantial amounts on new road and rail projects. We believe that housing development needs to be an essential part of these schemes. The government also needs to ensure that we have the right design and construction quality standards in place. The new homes that are built need to be flexible, low maintenance and sustainable, fit for generations to come. The last government finally agreed to reintroduce minimum space standards for new homes – this is the moment for the industry to excel across the sector. Regrettably we've seen the removal of energy efficiency standards – this might save a little on building costs, but pays no attention to the potential for increased running cost and carbon usage. We must not simply pass onto the next generation to deal with the environment after it is too late. Climate change is an awful legacy for us to leave.

Exiting the EU is going to require the government to make important decisions. Huge sections of the construction industry are regulated to pan-European standards. These standards have driven investment, innovation and economies of scale. I'm worried that in the rush for the door perhaps Brexit will really mean a rejection of anything with European in its title. In the standards we build to and elsewhere, this would be a mistake that would do huge damage to the UK's housing market and the fabric of our society.



# New ideas for housing older people

As demographic changes pose challenges for the housing sector, Gateway chief executive **Sheron Carter**, says aspiration must be at the heart of our offer to older people

**O**ur population is ageing. Across all sectors we will have to redesign how we live and work to accommodate this. Our ageing population presents us with a challenge; a challenge to our preconceptions of how we provide housing for older people, and a duty to diversify our buildings to meet their aspirations too.

The term 'aspiration' is important. Too often we assume that older people's housing choices are based on need. There are 'push' factors that drive changes for many people – the inability to cope in a large home, loneliness or just unaffordability. Many more people, however, are living long, dynamic lives and want something just as invigorating to move on to. It makes sense for us to respond to this in creative ways.

In 2012, Gateway undertook research to look at how we could widen the spectrum of housing for older people in Tower Hamlets. Land in this borough is expensive, although it is one of the most deprived areas in the UK. There are high levels of overcrowding amongst pockets of under-occupation, the latter largely occupied by older households. We wanted to examine whether we could create a 'pull' factor that would appeal to older people, including those that may be under-occupying larger homes. We set ourselves the task of understanding what type of homes people wanted as they aged. We were keen to explore options that would work in a densely populated area, where over 80 per cent of homes are flats and where there was no tested market for homes for sale that were specifically developed for the elderly. We

found that many people we spoke to wanted to make a planned move in preparation for later life. A pull for them would be well-designed, affordable homes with some outside space. A home that could be easily adapted to meet their needs, with flexible support they could call on when necessary. Some wanted to use the equity in their home to buy something more suitable if their home no longer worked for them.

We put this research into action and started to build well-designed, spacious homes at a lower price point. Our first mixed tenure scheme for older people was built on the Isle of Dogs. 72per cent of the homes are for rent and 28per cent for low-cost shared ownership. The purchasers paid just 75 per cent of the market value and do not pay rent on the rest. We call this Older People's Shared Ownership (OPSO). We introduced this on a small scale as it was an untested market. The homes offer something new to the area: great design and affordability without sacrificing independence and the security of owning your own home.

We were pleased that our homes were purchased by local people who would not otherwise have an affordable ownership option. For some this has been life-changing. Their reasons for doing this are diverse. Pamela Williams had travelled for work for most of her life and never been able to put down roots. OPSO was for her a chance to upsize to a home she could feel secure in for the rest of her life. Walter Berwick instead downsized. He and his wife valued the chance to move to a new-build where they could be active members of a community. For both OPSO was the only opportunity to live in an area they couldn't otherwise afford. They valued having space, convenience and the opportunity to put money aside as a pension.

We have tested the market and we are confident that OPSO is a necessary and dynamic choice for older people, alongside good quality social housing for rent. We have just launched our second scheme in Bow, East London.

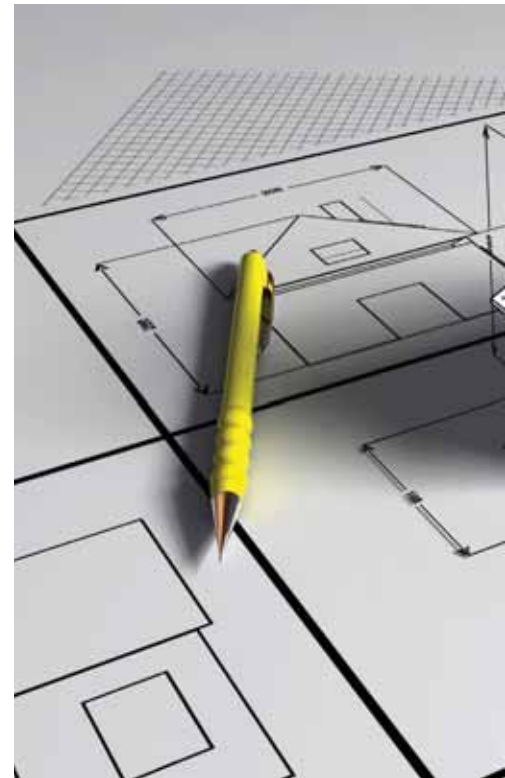
**For more information visit:**  
[www.gatewayhousing.org.uk](http://www.gatewayhousing.org.uk)

IN ASSOCIATION WITH



# Housing should be about building homes

Quality, as much as quantity, must inform housing policy, according to CIOB chief executive **Chris Blythe** and associate director **Eddie Tuttle**



**T**he construction of mass housing – both of the public and private variety – is no new topic. The notional boom of the 1930s, which yielded the classic semi-detached suburb, was widely derided at the time, yet remains a popular option in the present day. The high-rise local authority flat of the 1960s was charged with causing myriad social problems; and many of the issues surrounding ‘sink estates’ are attributed to design – although, admittedly, maintenance, management and allocation policies should shoulder some of the blame.

More recently, developer-built city centre flats, mainly aimed at an investment market, have come under fire for their small size and limited storage facilities, while more suburban schemes are criticised for failing to deliver public space, walkable street layouts or sufficiently sized rooms. What this demonstrates, if anything, is that quality rather than quantity, should always theme any

housing strategy.

Against a backdrop of otherwise uncertainty – namely Brexit’s overture – the housing crisis represents a rare consensus among the UK’s politicians; that is to say that we need more housing. Whatever the reasons – single occupation, increased life expectancy or the effects of immigration – that we need more places to put people is a platform for cross-party agreement.

But what good is a house that can’t be a home? What good is a house that costs more to repair than it did to build? Consumers, government and the housing industry itself must ask if properties, and indeed neighbourhoods, are fit for purpose.

The sense of urgency attached to the housing crisis, however, seems to have deprioritised that caveat somewhat. Put simply, prices and rents have risen and the new supply of houses has failed to keep pace with the increased demand – predicated by natural inflation, higher

IN ASSOCIATION WITH





incomes and the like.

A convenient explanation for the lack of new supply can be found in the collapse of the council house building in the 1980s. Margaret Thatcher's Right-to-Buy scheme exacerbated the problem and the market failed. Subscribing to this thought process, then, the solution seems obvious: councils need to start building more houses again. Observing that the number of social housing in the

## The CIOB is informed by nearly 200 years of experience

UK in 2016 had fallen to 1.6m, with roughly 1.2m people on council waiting lists will only serve to underline this view.

But it is too simplistic. Neither the merits nor the pitfalls of Mrs Thatcher's domestic policies offer adequate explanation as to the future of the UK housing market. Moreover, saying high house prices necessitate reckless government building follows a similar logic to saying that high food prices mean there is a need to build new state-owned farms.

The real reason for a lack of new supply lies in the failings of successive governments regarding tight land use and planning laws, which stifle development. Indeed, the rate of new builds controlling for population has fallen consistently since the 1970s. And those houses that are built are some of the smallest in the world. While building more houses might very well be a given, building the right sort of houses is tantamount to sustainability.

The Chartered Institute of Building (CIOB), informed by nearly 200 years of construction-based expertise, recognises the pressing need for an overhaul of both UK housing policy and a rise in standards. Certainly, when discussing housing reform, it is these that form the foundations, so to speak, of any solution. By adjusting policy the government has the chance to vet projects more efficiently and by bridging the skills gap which clearly exists, it has the opportunity to guarantee success.

We have a Royal Charter to promote the science and practice of building and construction for the benefit of society, and we've been doing that since 1834. Our members work worldwide in the development, conservation and improvement of the built environment. We accredit university degrees, educational courses and training. Our professional and vocational qualifications are a mark of the highest levels of competence and proficiency, providing bespoke advice to clients, government and other professionals procuring built assets.

Put bluntly, as the demand for housing increases, so too must industry and product standards. The CIOB recommends, therefore, reviews into design, distribution and regulation of housing policy. The institute reaches its policy positions through consultation; and this can only be achieved collaboratively, across our members and with government cooperation.

When building new houses, we should be building them to last, responsive to the individual needs of the people living inside, as well as considering their impact on the environment. A deregulation agenda has marred recent housing policy and there is a concern that the focus on cutting red tape is putting quality on the backburner. While too much regulation can admittedly be inhibitive, if done smartly, namely through a code of conduct, we are sure to reap the benefits.

Underpinning the entire quest for quality, of course, there must be an emphasis on qualifications. There must be, in turn, a commitment to exploring more innovative construction techniques and a revised barometer for those who are ultimately responsible for where someone will spend much of their lives. The CIOB does not think it possible to improve housing without first improving the training people receive. We must curtail the skills gap that currently scars the sector. In order to create buildings and develop settings which are sustainable, we need to ensure that professionals are suitably in-the-know about the latest constructional advances.

Attached to the skills gap is also the importance to diversify the construction sector in terms of age, social background, gender and ethnicity. If we fail to diversify, we will fail to canvas the support we need to deliver on ambitious targets for housing.

The UK needs housing and we know that there is plenty of huff and puff about this fact. It's up to us, collectively, to make sure that no amount of huffing and puffing blows a house down.

# Councils must prove themselves as developers

**Devolving power to local councils can help to solve the housing crisis but only if they use it properly, writes Campbell Tickell associate director Maggie Rafalowicz**

**I**n the 1950s, English councils built 1.4m homes; in the 2000s, they built just 2,000. Housing associations and private house builders, meanwhile, were unable to keep up with demand. The shortage of homes across all tenures especially affects people on low incomes – exacerbated as housing costs outstrip inflation and welfare entitlement.

During this decline, local authorities that retained housing stock were largely restricted to dealing with diminishing poor quality properties.

Decent Homes programmes alleviated matters, but the revived Right to Buy and rent reductions create a danger that the former trend may return. However, recent changes have enabled councils to take back some control over supply and management. For example, Housing Revenue Account self-financing provides more freedom to manage their housing stock as a business. The Localism Act 2011 also makes it easier to establish council companies or joint ventures.

Increasingly, councils are engaging directly in developing new homes. This takes different forms, including where the private sector is not delivering, such as the range of tenures available, focusing on those in greatest housing need and infrastructure investment. It involves making better use of existing assets and taking advantage of low interest rates. It includes generating income to make up for reduced government funding, low business rates and increased homelessness costs. In part, this reflects councils being less inclined to trust other

providers, such as housing associations, to deliver in line with their priorities.

Beyond direct provision, in the 1990s, most councils' main role in relation to new housing was as the planning authority, and the provider of discounted land. Councils' roles have become more varied in recent years, in increasing supply, creating the vision for development, and acting as the enabler; identifying sites, assembling consortia, liaising with landowners, facilitating planning permission and exploring different funding options, possibly providing grant themselves.

What we see now is councils moving beyond the enabling role to that of developer. This can include preparing the infrastructure, decontaminating land, commissioning architects and dealing with difficult areas like estate regeneration in all its forms – physical, social, economic, public realm. The ability of councils to 'de-risk' sites has been key to progress in developing challenging schemes.

A critical element now is whether involvement in progressing a scheme can generate income for an authority, or can contribute to savings, such as on homelessness. As property values rise, councils want to benefit from increasing asset values rather than transfer housing stock as many did in the past.

Funding sources have widened, and over 120 councils have set up development companies. Most commonly, this is a 100 per cent owned subsidiary. However, some have created joint ventures with neighbouring councils, other public bodies or private companies. And the development companies deliver new homes across tenures – homes for sale (market or discounted), shared ownership, private rented sector or affordable rented sector. This is a time for councils to be bold and take the fight to the housing crisis.

**For more information please visit our website: [www.campbelltickell.com](http://www.campbelltickell.com)  
Follow us on Twitter: @CampbellTickell**

IN ASSOCIATION WITH





# Regeneration that delivers

CT is a multidisciplinary management consultancy focusing on housing, regeneration and social care. We work across the UK and Ireland with housing associations, councils and ALMOS, housebuilders, developers and contractors. Our breadth of expertise means we can provide reassurance in challenging times. We bring a strong track record in advising on and delivering regeneration schemes including:

- Ⓜ Options appraisal
- Ⓜ Business planning
- Ⓜ Risk analysis and mitigation
- Ⓜ Housing market analysis
- Ⓜ Joint venture establishment
- Ⓜ Community regeneration
- Ⓜ Resident engagement
- Ⓜ Procurement



**ct** CAMPBELL TICKELL Inspiring people – delivering change  
CONSULTING

To discuss how we can help you face the challenges, please contact Maggie Rafalowicz on 020 8830 6777, [maggie.rafalowicz@campbelltickell.com](mailto:maggie.rafalowicz@campbelltickell.com)



# To buy or not to buy – why is that always the question?



The obsession with ownership is clouding people’s judgements, writes Grand Union Housing Group chief executive

**Alan Humphreys**

IN ASSOCIATION WITH



**N**ovember 2016 saw the publication of the Redfern Review into home ownership. It concluded that “the nation faces a housing crisis, at the heart of which is the falling rate of home ownership.”

Whilst there is no denying there is a housing crisis, particularly in the south, part of the problem is also our obsession with “getting on the property ladder” in order to capitalise on increasing values. Why the obsession with ownership?

The government now agrees that we need at least 250,000 new properties a year to keep pace with demand. In 2015/16 the net supply of new homes was 189,000, the highest number since 2008, but still well short of what’s needed. Some of the blame for this shortfall surely lies with successive housing policies proclaiming ownership to be the only real choice for a healthy society. This started with the introduction of Right to Buy in the

1980s, through to the current policy of developing starter homes as an ‘affordable’ way into this exclusive club. This has created a desire not just to own, but to own and to capitalise.

There is a huge difference between need and want. The 2004 Barker Review confirmed that around 80 per cent of people aspire to own a home during their lifetime, but why is that? Having a suitable, affordable home should surely be the aim. We must remember that there are almost two million households on local authority waiting lists for housing, with less than 3 per cent of these likely to be able to access home ownership of any kind. Home ownership suits a lot of people and is certainly no bad thing; however why should it be accompanied by an expectation that property prices will keep on rising (with an occasional blip) so that those who own homes, or multiple homes, gain at the expense of those who don’t have the resources to



access any form of affordable housing? Why can't housing simply be considered, and accessed, in accordance with a household's needs and circumstances, rather than the driving consideration being increasing values leading to individual gain?

As a child I was brought up in a small terraced house, until the property was compulsory purchased to allow major redevelopment. This was in the mid-60s. We then moved into a council house as my parents' employment was insecure and they didn't want to take the risk of not being able to repay a mortgage. I thought we had moved up in the world, as our new home had central heating, an inside toilet, a small garden and even a garage. It was most certainly a home and my parents lived there for the rest of their lives. Back then we were building around 350,000 new homes each year, reaching a peak of 428,000 in 1968. Almost half of those were built by councils or new

town development corporations.

So what's happened since then? Since the early 1990s councils have effectively stopped building and housing associations haven't been able to respond in sufficient numbers, while private sector delivery has remained remarkably constant at around 150,000 new homes per year. At the same time owner occupation has increased by 25 per cent. As a result, house prices have increased at a faster pace than average earnings with real increases (after inflation) of over 60 per cent between 2000 and 2010. No wonder people want to get on the "housing ladder".

However, the 2015 Halifax report *Generation Rent* may have identified some change in attitude to home ownership. It highlighted that while aspiration to own remains high, a large proportion of potential first-time buyers are happy to make a life-long home within the private rented sector (PRS). This may be out of necessity, attributable to the lack of 'affordable' properties on the market, but scrutinising the data in the report shows this isn't necessarily the case. The main reasons quoted for not buying are concerns over interest rate rises and unstable employment, neither of which can be overcome by flooding the market with home ownership products.

Of course, the private rented sector is in no way a panacea. It's largely unregulated; it offers minimal security of tenure; standards vary considerably and rent is open to the vagaries of the market, the landlord, the agent, or perhaps all three. Eviction rates have soared in recent times, with private renters accounting for 96 per cent of the three fold increase in homelessness since 2010 – hardly a glowing recommendation.

In order to improve the PRS we need a combination of more investment, together with protective regulation and tax incentives for new developments, in order to provide acceptable returns for landlords, without relying on increasing property values. Hand in hand with this should be additional protection for

tenants and increased security of tenure.

In a nutshell, we need to build more homes of all tenures. Housing should be a basic infrastructure requirement. Whilst the government has made it clear that it will no longer fund the development of new housing at traditional, 'social' rent levels, the new Housing Infrastructure Fund of £2.3 billion, announced in the Autumn Statement, should see the development of 100,000 new homes in high demand areas, 40,000 of which will be 'affordable'. The arguments will continue over how affordable these really are but it's a move in the right direction. At the same time we need to increase investment in the PRS and many housing associations, including Grand Union, are now doing this.

The long-term aim must be to change attitudes and perceptions of what housing is about. To get people to regard their property as a home, rather than an investment opportunity, we need to capitalise on the growing number who think the PRS is the place to be. We need to develop a long-term housing strategy that sets out how we are going to build more homes with a variety of tenures that are accessible for everyone, depending on their individual circumstances. We could start by releasing government-owned land (mainly within the NHS and MoD) at a sub-market price to housing associations, who have a solid track record of developing decent, affordable and secure housing. Land is far too expensive in the UK and the mark up once planning is achieved is nothing less than scandalous.

Aspiration towards home ownership will always be high – it is in our DNA. However, we also need to provide a viable, desirable alternative for all those people who will never be able to afford to buy, or due to their personal circumstances choose not to. If given the opportunity, housing associations (and local authorities) can be very much part of the solution.

**For more information please visit:**  
[www.grandunionhousing.co.uk](http://www.grandunionhousing.co.uk)

# Should landlords go ahead with heat metering?

Landlords should ensure that their metering and billing solution is transparent and based on actual consumption, writes STC Energy's Alan Little

**A**re you a landlord of a tenanted commercial building or residential flats? Perhaps you have a communal heating or cooling system and more than one tenant occupying the building? If you have answered yes to both these questions, then as a landlord, you will be affected by the Heat Network (Metering and Billing) Regulations.

The Heat Network Regulations cover many multi-let buildings served by a communal heating or cooling system, typically a centralised boiler or chiller plant. As a result, properties ranging from commercial estates to small blocks of flats are subject to the Heat Network Regulations. Here are the details:

## Feasibility

As part of the Heat Network Regulations, landlords must ensure that from 31st December 2016, suitable meters are installed in all buildings with a communal heating system, where it is both cost-effective and technically feasible to do so. However the tool used to assess the feasibility and cost-effectiveness of installing heat meters is currently being revised by the department of Business, Energy and Industrial Strategy (BEIS) after failing to prove that installing heat meters is feasible for landlords. Pending this revision, it has been advised that no further assessments should be carried out.

BEIS is looking to launch a new cost-effectiveness tool alongside regulatory amendments later in 2017, so stay tuned!

## Billing

Part of the regulations is that any bills for energy costs, which are being recovered through the service charge, must be on the basis of the actual consumption of energy by each tenant and not, for instance, based on floor area or a set percentage in the lease. Tenants should receive a bill that is based on actual consumption at least once a year. Issuing bills that comply with the standards imposed by the Heat Network Regulations has been a legal requirement since 31st December 2014, and only applies where meters have already been installed.

STC Energy would encourage landlords to implement a metering and billing solution so that all fees are transparent and accurate. The regulations will also ensure fairness in regards to tenants only paying for what they use. If landlords are worried about additional administration to bill their tenants, they could perhaps consider a tenant billing service. A tenant billing service will ensure all tenants are accurately billed for their usage.

## Code of Practice

The Heat Network Code of Practice has been produced by both CIBSE and the Association for Decentralised Energy (ADE). The Code seeks to provide clear and measurable outputs which will ensure that a heat network operates effectively and meets client and customer expectations. Setting minimum standards is a key step to provide greater confidence for specifiers and clients and these can also be included in the tendering/contracting process.

CIBSE qualified Heat Network consultants in our energy management and compliance team have been assessed on their knowledge and understanding of the Code of Practice. This gives our customers the confidence that the guidance in the Code of Practice is being appropriately applied.

**Want to know how the regulations could affect you, or would like expert advice? Simply call 0208 466 2950 to speak with one of our consultants.**

IN ASSOCIATION WITH





# Housing crisis: good homes build new homes

**John Fisher,**  
**director of ARK**  
**Consultancy,**  
**explains why – in**  
**the dash to build**  
**new homes –**  
**housing providers**  
**can't afford to**  
**neglect existing**  
**neighbourhoods**

**I**t's great to see the UK's deep-rooted housing supply nettle finally being seized by government, financiers and the construction industry. But at this breakthrough moment, another hazard lurks. No matter how many new homes we build now, the biggest factor affecting capacity for supply and millions of people's lives will be how effectively housing providers maintain and use the assets they already have. Well-maintained and strategically-managed housing that's subject to rigorous appraisal can unlock extra resources to support new building. But places that get left behind in the big push to boost new supply will leach away valuable time, energy and money. Good homes build more homes, while bad or deteriorating homes sow the seeds of social problems.

The Decent Homes Programme provided a huge and welcome injection into existing stock, but it didn't address shared areas or the wider public realm; factors that really make places where people want to live. And it created a cohort of homes and building elements that will wear out at the same time. So there's a ticking clock of asset liability that needs careful attention.

At worst, we could repeat the policy and delivery mistakes of the last generation, when too many of the homes created to meet demand were then systematically neglected through years of under-investment and inadequate planning. Modern-day executives could be patting their teams on the back for building new homes, while simultaneously overseeing the decline of some of what they already own.

The first step towards avoiding these risks is to understand and acknowledge that they exist – then put proper strategies, systems, people and investment in place to ensure existing properties and neighbourhoods continue to deliver returns. These essential disciplines are at the heart of the active asset management strategies promoted by ARK. Organisations have to grasp the value and challenges of their assets, and apply proven techniques to make the right – sometimes tough – decisions.

We offer the unique 'ASAP' strategic asset performance model, which tests the efficiency of and return on clients' portfolios down to the individual address. While our comprehensive option appraisal, benchmarking, contracting and procurement services help asset management teams to achieve the best blend of repairs, maintenance, improvement or disposal.

In 2010, ARK helped to establish CHIC (the Central Housing Investment Consortium). This member-owned group exists to save housing providers money and boost their productivity (see [chicltd.co.uk](http://chicltd.co.uk)). It's free to join, and the 40-plus existing members already benefit from average cash savings of 15 per cent across their new build, planned maintenance, legal and merchant services. CHIC promotes modular and timber-frame approaches to new development, plus innovative company vehicles to help organisations save by working together to share costs. This is the sector's future.

Getting these aspects of the business right doesn't just pay back in the short term by leaving more money to invest in new homes. It also gives registered providers the evidence they need to shine some light onto the regulator's somewhat 'penny-wise' view of asset management, and produces more satisfied residents who want to carry on living in strong, sustainable communities.

We're right behind, and part of, the drive to build more homes. We're also here to make sure existing homes and residents aren't forgotten.

IN ASSOCIATION WITH



We must work hard to transition low-carbon homes from novelty to the norm, says **Dr. Jo Patterson**, research fellow at the Welsh School of Architecture, Cardiff University

# Zero-carbon homes: saving money as well as energy



**E**nergy use in housing in the UK accounts for 27 per cent of carbon emissions. Therefore improving energy efficiency and using renewable energy in housing stock presents a great opportunity to contribute towards the 2050 target of an 80 per cent reduction of greenhouse gas emissions.

With the cost of living increasing while real wages remain stagnant, priority of expenditure is a decision many households have to make, often having to choose between food, rent, council tax, gas/electric bills and transport costs. By reducing energy bills householders will have additional funds to spend on other necessities and may be helped out of energy poverty.

By building the necessary 250,000 new homes as low or zero-carbon at an affordable cost, using replicable techniques and technologies that are

easy to use and maintain, there is a potential for this type of home to become the 'norm' rather than a novelty. This would help to reduce carbon emissions, stimulate the economy and reduce energy bills.

#### **What progress has been made so far?**

Low-energy housing design was initiated in the UK as a response to the oil crisis of the early 1970s and has developed over time to include passive and renewable energy supply and storage technologies. Zero-carbon homes are becoming a realistic possibility for large-scale roll out in the near future as a result of significant progress in the development of affordable energy generation and storage products and technologies to reduce energy use. A clear ambition was defined by the Zero-Carbon Homes policy set in 2006

**The Solcer House combines renewable energy generation, with energy storage and conservation technologies**



to make all new UK homes carbon-neutral by 2016. In July 2015, however, the policy was scrapped to the dismay of many in the construction, property and energy technology industries, on the basis that it was deemed not possible to build a cost-efficient, carbon-neutral home.

The Zero-Carbon Homes policy, if left in place, would have been the 'stick' that would have encouraged the large-scale construction of affordable zero-carbon housing in the UK with current barriers including cost and risk associated with using unfamiliar technologies having to be overcome. However, with the removal of this policy and a reduction in financial support for the installation of low-carbon technologies, such as the reduction of the Feed In Tariff which has fallen from £13.39/kWh to £4.32/kWh for an equivalent domestic photovoltaic

system, there appears to be little incentive for large-scale change.

The Solcer House, launched by the Welsh School of Architecture at Cardiff University just as the Zero-Carbon Homes Policy was scrapped, has demonstrated that it is possible to achieve a zero-carbon house at an affordable cost using off-the-shelf technologies. The Solcer House uses a systems-based approach, combining technologies that reduce energy use, generate energy and store energy. The Solcer House is highly insulated and therefore provides a comfortable internal environment. The maintenance of the house has been considered through the selection of low-carbon materials from the local supply chain wherever possible. In the past technologies such as photovoltaic panels have been 'bolted on' to buildings which can add costs and

overcomplicate design. At the Solcer House the technologies have been integrated into the structure of the house; for example, the photovoltaic panels are the roof, removing the expense of standard roof tiles. A battery system has been included which stores energy generated by the photovoltaic panels during the day and energy can be used in the evenings when electrical energy is required by the occupants. Over an annual period the Solcer House generates 1.75 times more energy than it uses. Costing £1,200/m<sup>2</sup> to build, which is in the budget range for social housing, the Solcer House has the added bonus that energy bills will be very low, at around £200 per year, therefore reducing the potential for energy poverty for the householders.

Pentre Solar, a hamlet of six homes located in west Wales, focuses on



## “Each house produces enough energy to power an electric car”

→ energy demand reduction, rather than technologies. The design uses photovoltaic panels as a renewable energy source, and focuses on thermal efficiency of the building fabric and passive solar heating to generate a high proportion of the space heating. The houses at Pentre Solar cost £1,000 to £1,100/m<sup>2</sup> to build including the PV panels, and the running cost will be below £300 per year. Each house also produces enough energy to power an electric car.

These demonstration projects unequivocally show that, in contrast to the political reasoning of the recent past, it is possible to build affordable, low/zero-carbon housing within the cost range required by social and high volume house builders, and occupiers can benefit from reduced energy bills and improved wellbeing.

### **What needs to be done to ensure more progress?**

The projects presented have demonstrated that it is possible to build attractive and affordable low-carbon housing using local skills and supply chains that are replicable at scale. Large scale uptake is still likely to require a clear, straightforward and consistent policy to encourage volume builders to include a proportion of low carbon housing within their portfolios. In turn, this would lead to the removal of the broader barriers that are preventing progress at scale, such as establishing supply chains that provide high quality products and services, establishing and maintaining a skills base motivated to implement the appropriate technologies, from planning through design to construction and operation, and bringing costs down further in the long term.

The Welsh government has run two phases of Arbed, a programme to stimulate the uptake of energy efficiency measures and renewables. Although together Arbed has helped to reduce emissions of over 12,000 homes in Wales and has had a positive overall impact, the time lag between the two phases resulted in an unsustainable situation for some SME

technology installers who struggled to cover costs during the interim period. This was a bureaucratic limitation rather than a technological issue.

Without a clear and ambitious policy drive, potentially including quantitative targets, there remains little incentive to change current practice. This status quo would be a failure to realise the benefits that existing technologies can deliver to society, reduced carbon emissions and energy costs, improved wellbeing as well as the stimulation of market opportunities through the supply chain.

### **Is it possible for low-carbon housing to be economically viable in the long-term?**

The examples provided illustrate that the costs to construct the houses are within the remit of social housing providers and that, if constructed at scale, costs are likely to be reduced further. A broad range of stakeholder groups including local and national government, construction services, and large-scale housing developers and providers from both the UK and internationally have expressed a keen interest, indicating the desire to change within the sector. In this respect, demonstrating through example has been a success and will provide the construction, property and low-carbon technology industries confidence to continue to make positive changes.

Overall, low/zero-carbon homes contribute to solving a number of current social issues including energy poverty, climate change and security of energy supply, for little, if any, additional cost compared to many current building practices. In the long-term, these benefits will allow low-carbon housing to be viewed as self-sustaining and will become the ‘norm’ rather than what might be seen as a ‘novelty’ project.

Appropriate policy would help technologies to be adopted earlier; however, we should be confident that in the not too distant future a vibrant low-carbon construction industry will look back and say: “Why didn’t we do that sooner?”

# Skills and bills: a collective approach

People need access to the right advice and support when it comes to managing their money and their homes, writes **Ellen Salkeld**, Financial Inclusion manager at **Viridian Housing**

**T**he welfare reform which began in 2010 has brought about the most impactful series of changes to the social housing sector in its entire history. For housing associations, rent yields are now declining.

As a result, we are compelled to think differently about how we can continue to deliver a great service and a quality home to our customer base, which includes young families, single parents, people with long-term health problems or disabilities and pensioners.

One of the solutions is to increase the provision of a Financial Inclusion Service. Once considered a “nice to have” add-on to income recovery, Financial Inclusion has come into its own in the era of welfare reform. We are here to put customers in a better position to pay their rent by increasing their financial capability and resilience.

At Viridian Housing we’ve recognised the need to push this service to the forefront when it comes to managing income performance, and keeping people in their homes.

We have changed the way we work to ensure the Financial Inclusion service is embedded into every stage of the customer’s tenancy journey with us. Affordability assessments are now conducted pre-tenancy, enabling us to develop support action plans with the customer before they move in.

We provide Early Tenancy Support from the outset, ensuring that new tenants get support from Housing Officers and Financial Inclusion - ensuring all social and financial needs are understood and addressed early on.

As part of this process, we ensure all new tenants are referred to our in-house Energy Advice team – to ensure they obtain the best possible deal on their energy usage. Whenever residents fall into financial hardship, we aim to offer advice and support to help them with financial capability.

We have created a new microsite [homemoments.co.uk](http://homemoments.co.uk) to allow customers the opportunity to live chat with our advisers about money worries. The site also gives useful information about money-related matters, including benefits and how to create a budget. The website and live chat feature allows us to engage with customers and support them with real-time advice.

We’ve also developed a volunteering programme linked to Financial Inclusion, called Money Mentors, which has trained 30 volunteers, together with the national skills academy for financial services, to deliver basic financial capability advice direct to residents. They are also trained as digital champions so they can help people get online to access services.

In addition, Viridian is supporting residents through new initiatives, including a volunteering-into-work scheme. Our Digital Inclusion programme is focusing on more practical skills like online job seeking. We also set up a research department to think of innovative ways to improve our customers’ experience. This led to the creation of the ground-breaking app Movemaker, which simplified the mutual-exchange process. The team is now seeking to break new ground by radically transforming our digital offers.

What is clear in this current environment is that an effective social inclusion service is vital to manage the financial impact of welfare reform. With Financial Inclusion at its core, housing associations can continue to deliver an excellent service to customers whatever the climate.

**For more information please visit:**

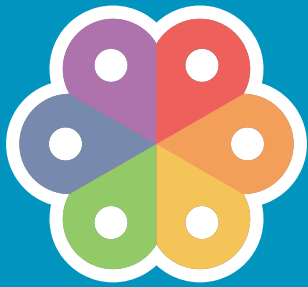
**[www.viridianhousing.org.uk](http://www.viridianhousing.org.uk)**

**Follow us on Twitter:**

**[@viridianhsg](https://twitter.com/viridianhsg)**

IN ASSOCIATION WITH





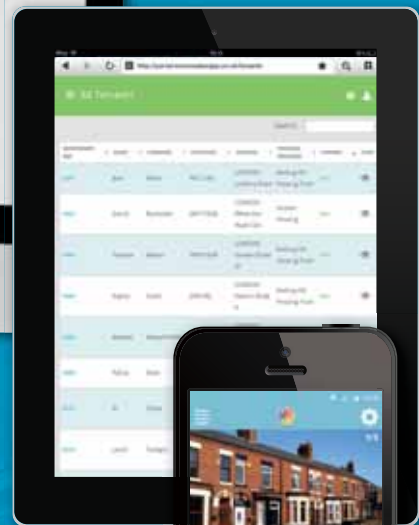
# MoveMaker

from Viridian

The really easy way to swap homes



**SIGN UP NOW**



## Join a growing number of landlords

- ✓ Intuitive & easy to use
- ✓ Designed for mobile
- ✓ Free marketing support & training
- ✓ Unique landlord portal
- ✓ Landlord development group

**We're offering a 12 MONTH FREE TRIAL to all social housing landlords in the UK and its free for your tenants**

w: [www.movemakerapp.co.uk](http://www.movemakerapp.co.uk)

e: [info@movemakerapp.co.uk](mailto:info@movemakerapp.co.uk) | t: [@movemakerapp](https://twitter.com/movemakerapp)

