

Thriving communities,  
affordable homes



# INVESTING NATIONALLY

DELIVERING  
LOCALLY



## Delivering in an uncertain world

Richard Hill

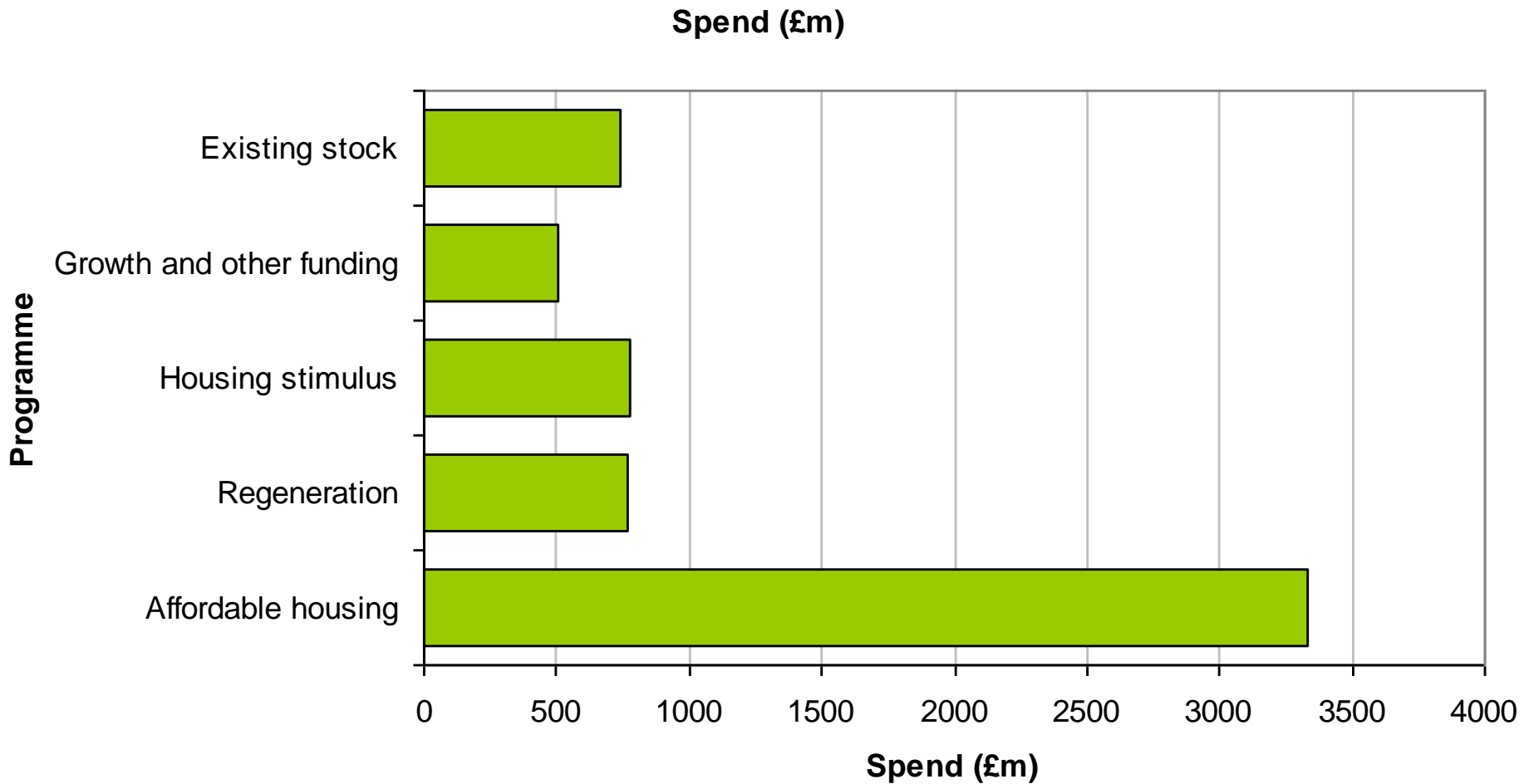
29 September 2010

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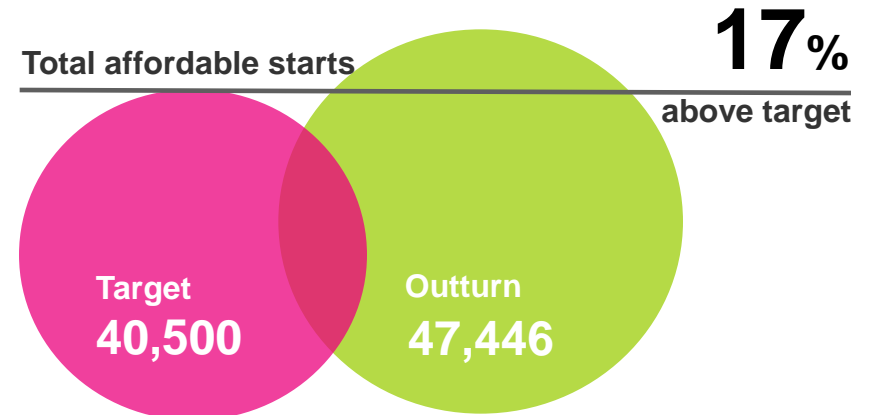
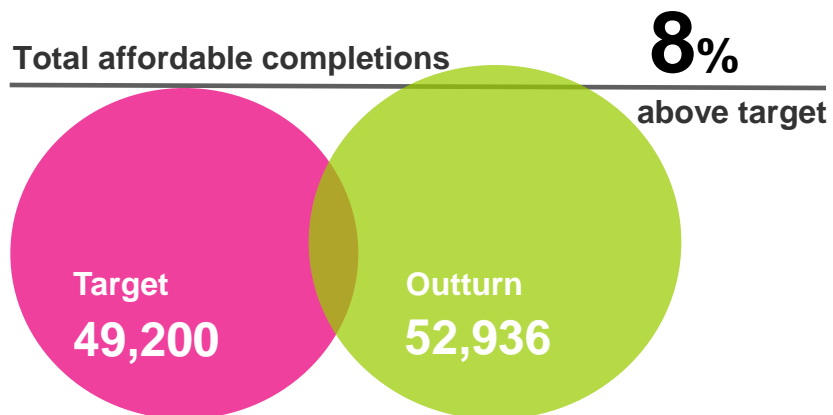
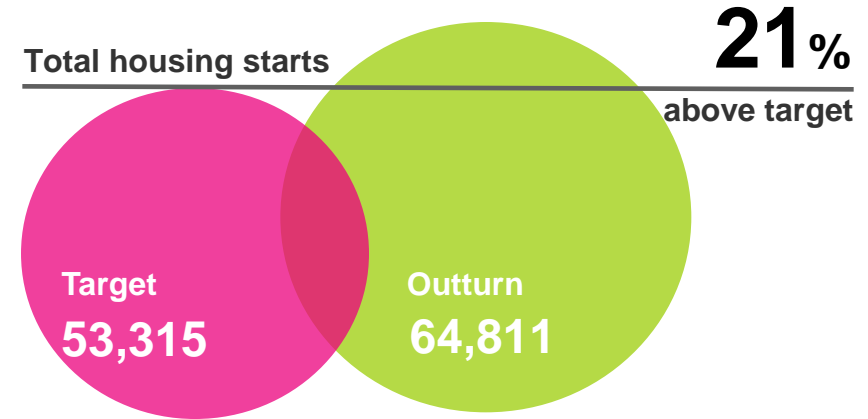
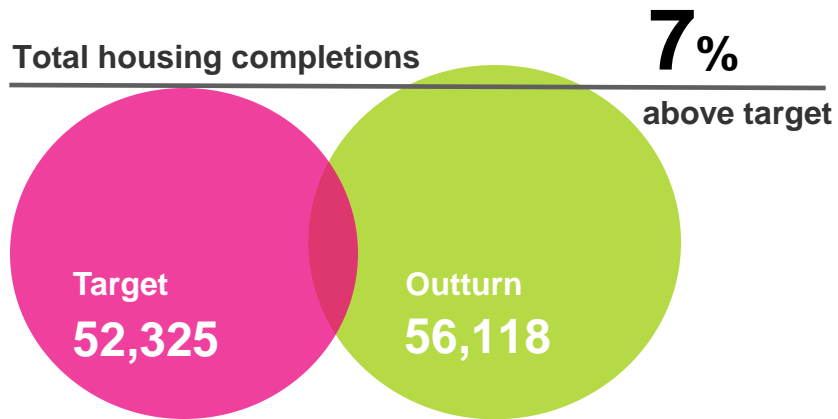
- The story so far
- Challenges ahead
- A longer view



# HCA spend 2009/10

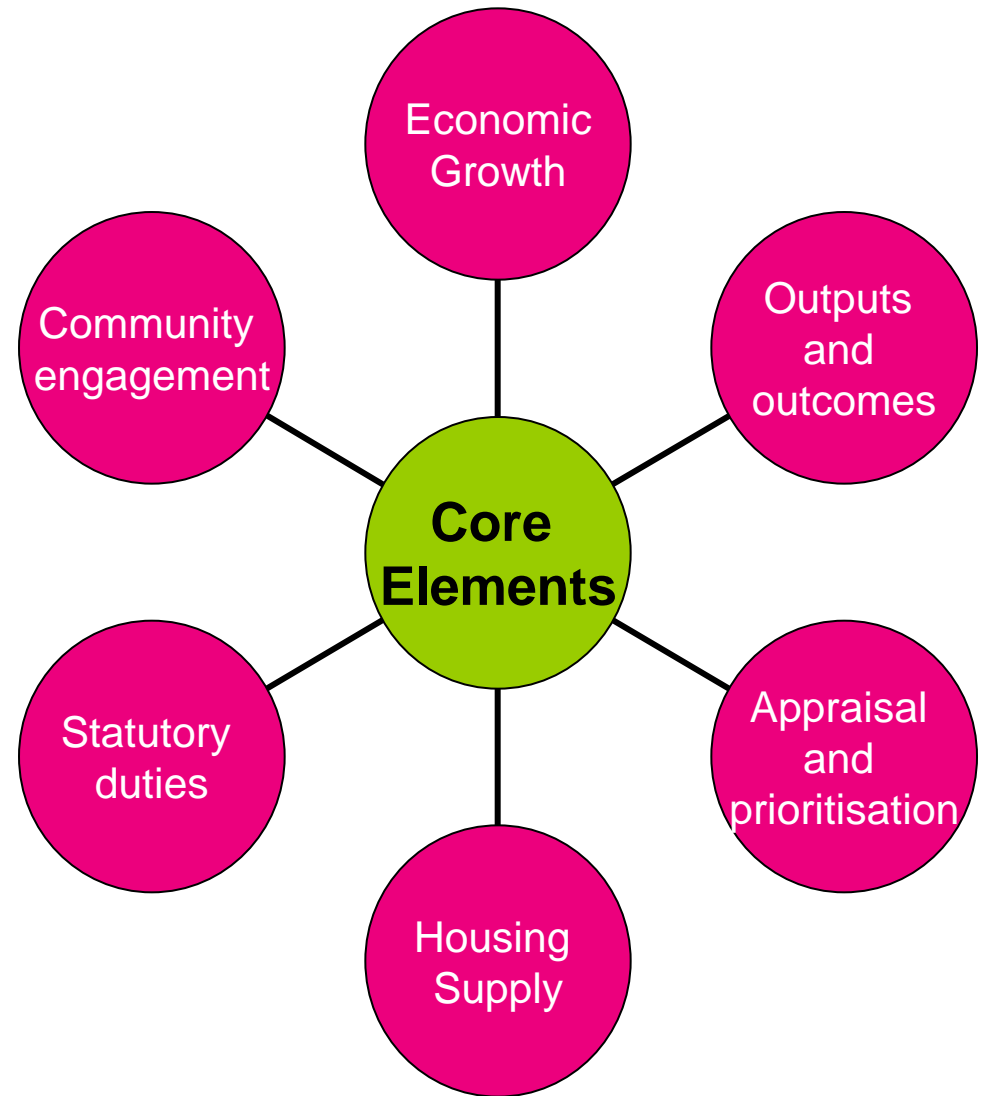


# 2009/10 delivery



# Local Investment Plans

- 28 completed nationwide
- Need to address core elements
- Progress at request of LAs
- All completed by end 2010/11
- **Successful LIPs will include wide range of stakeholders**



# Local Investment Plans in Kent

- **Completed**

- North Kent

- **Final Drafts**

- East Kent
- West Kent
- Ashford



# 2010/11 spend and delivery

- In year budget reduction of £390m or 10%
- Total budget £4.7bn
- Overall completions sustained despite budget reduction
- Significant reduction in starts



# Good results from Kickstart and Local Authority New Build



# Examples of Recent Successes in Kent

- **Leymourne Grange**
  - Hospital Sites Programme
  - Development in a difficult market
- **Holborough Lakes**
  - Private Rented Sector Initiative
- **Linton Hospital**
  - Design for manufacture/First Time Buyer Initiative
  - Building for Life Gold Standard
- **Cannon Street Deal**
  - Kickstart / remediation of coalfield site
- **East Street West Street Ashford**
  - Working with Council and RP to raise design standards



# NAHP Outputs for Kent and Medway 2009/10

Total Expenditure

- **£124,500,000**

Total Starts on Site

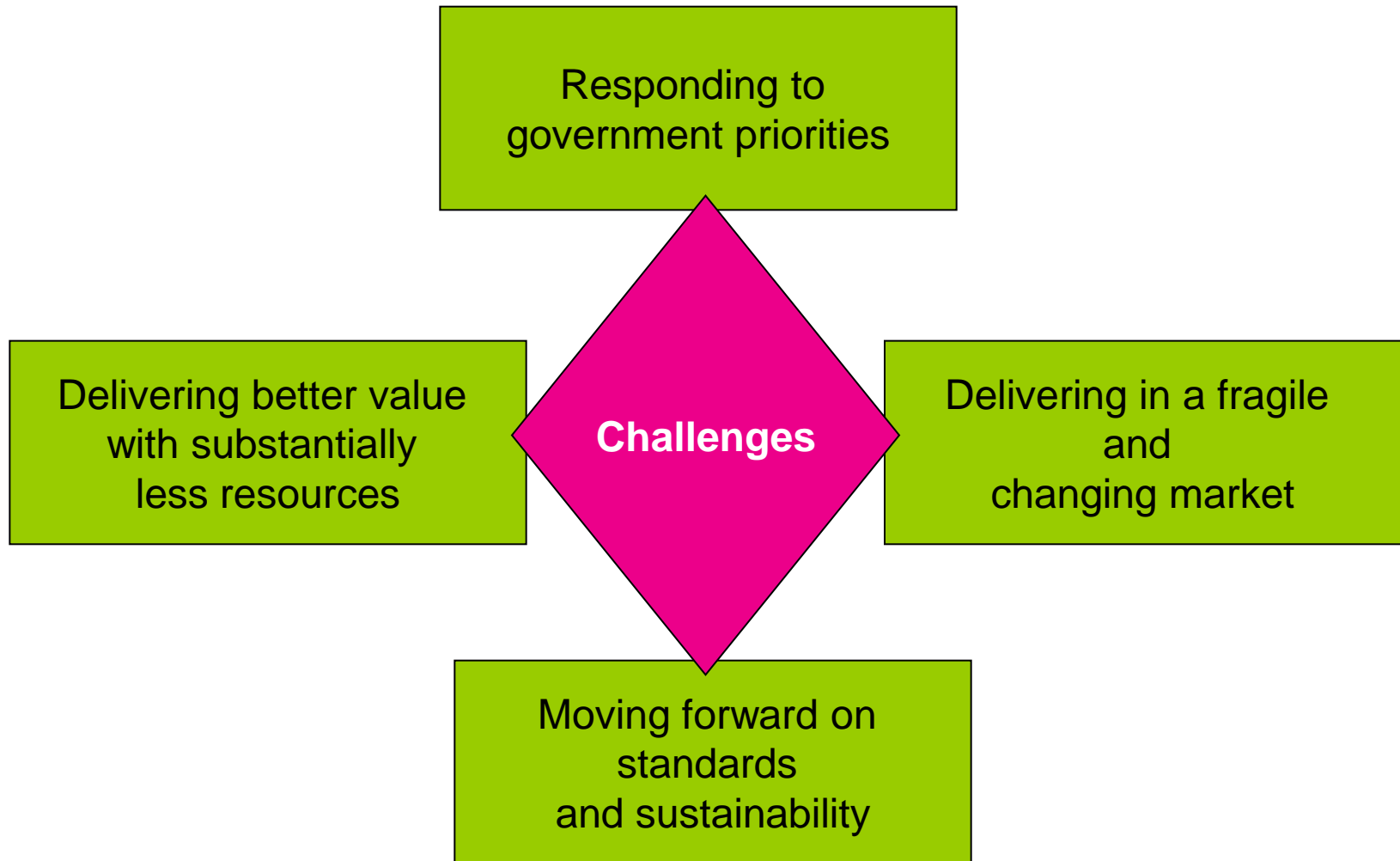
- **1,739 homes**

Total Completions

- **2,019 homes**



# Challenges Ahead



# Government priorities

- Tackling the deficit
- Localism
- New planning framework
- Major institutional change



# The future of the HCA

- An enabling and investment Agency
- Responsible for:

New Housing  
Supply



Place making  
and regeneration



Existing stock

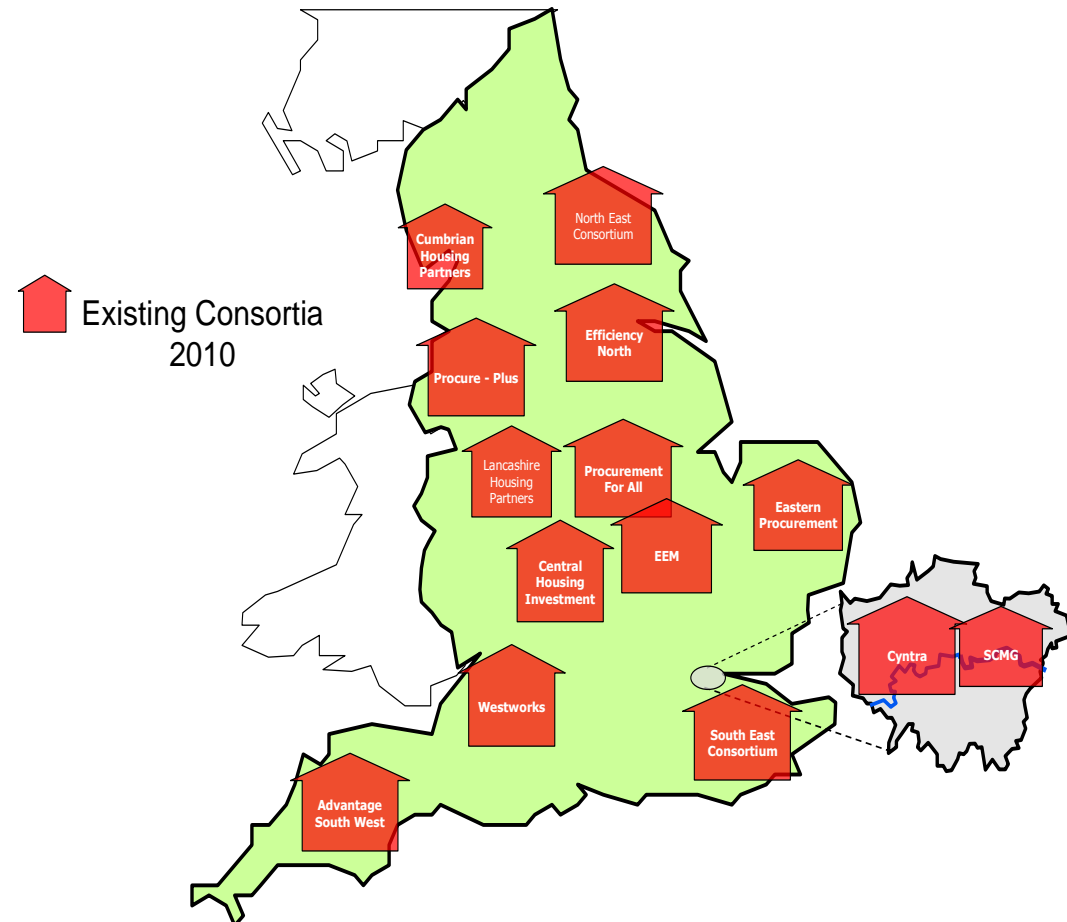


“I see (the HCA) as an enabling and investment body. Or in plain English, the people who help to get things done.”

**Grant Shapps MP on the HCA, CIH conference 2010**

# Drive for better value

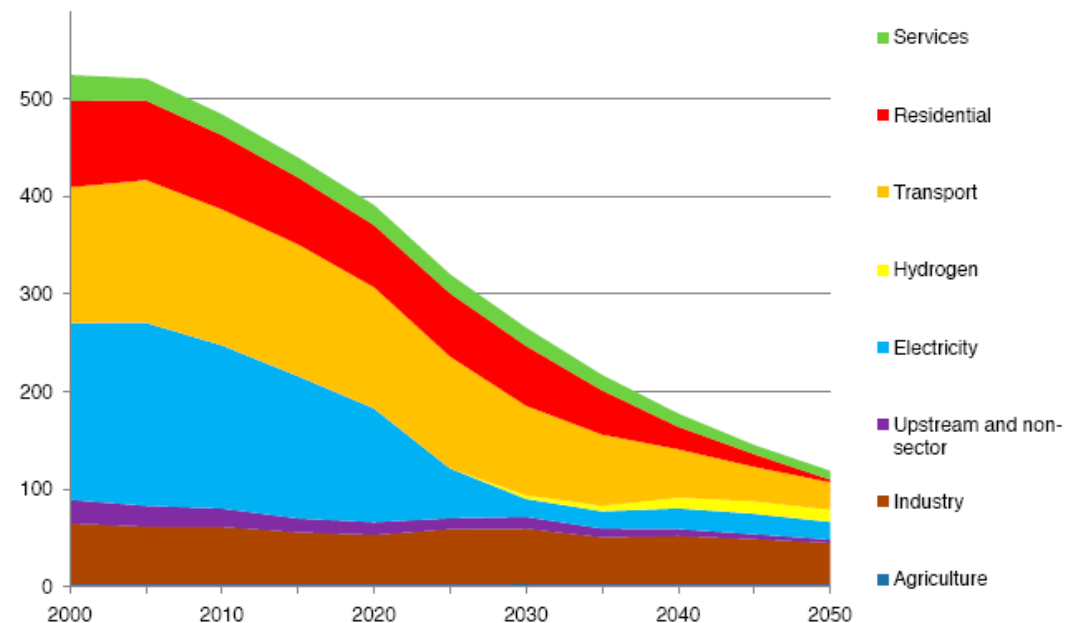
- Investment recovery models
- Viability appraisal/ robust benchmarking
- Smarter procurement
- Increased competition
- Framework agreements
- Diversification of provider



# Standards and Sustainability

- New HCA standards
- Funded 700 new homes at code 4 since 2008/09
- The challenge of existing stock

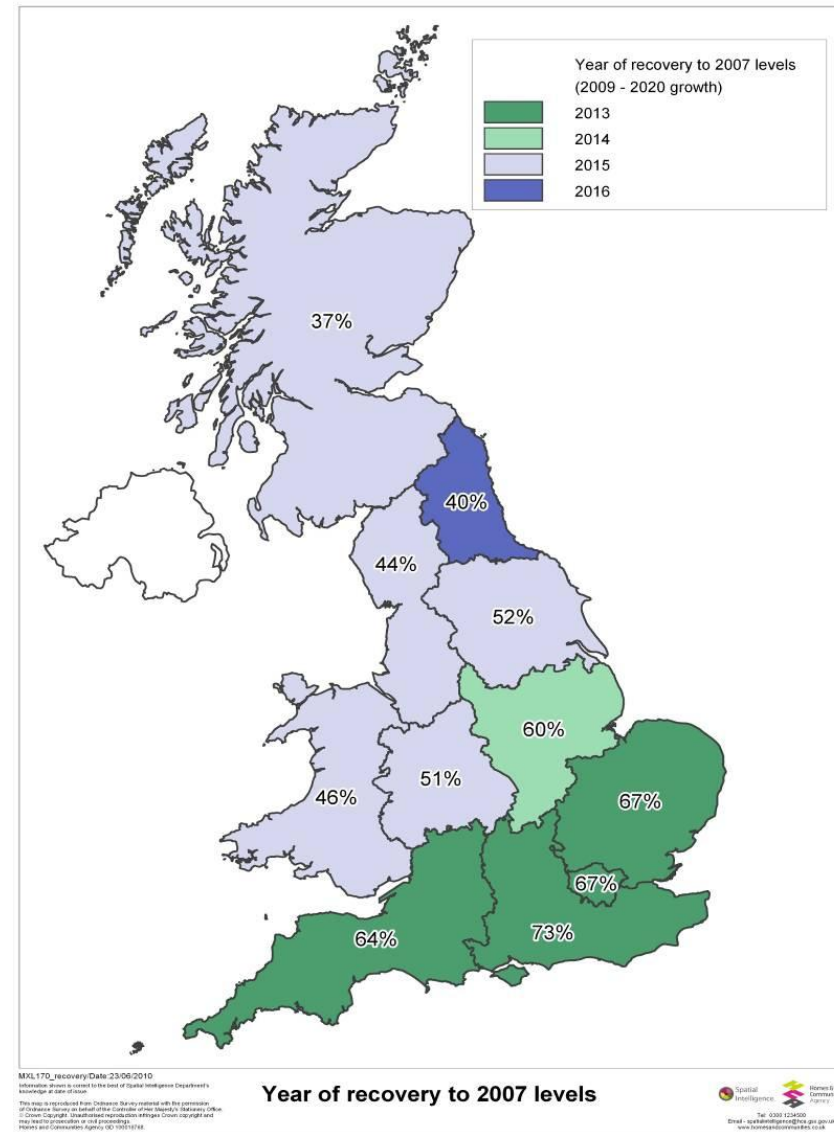
UK CO<sub>2</sub> emissions by sector to 2050  
on an 80% emissions reduction path<sup>2</sup>



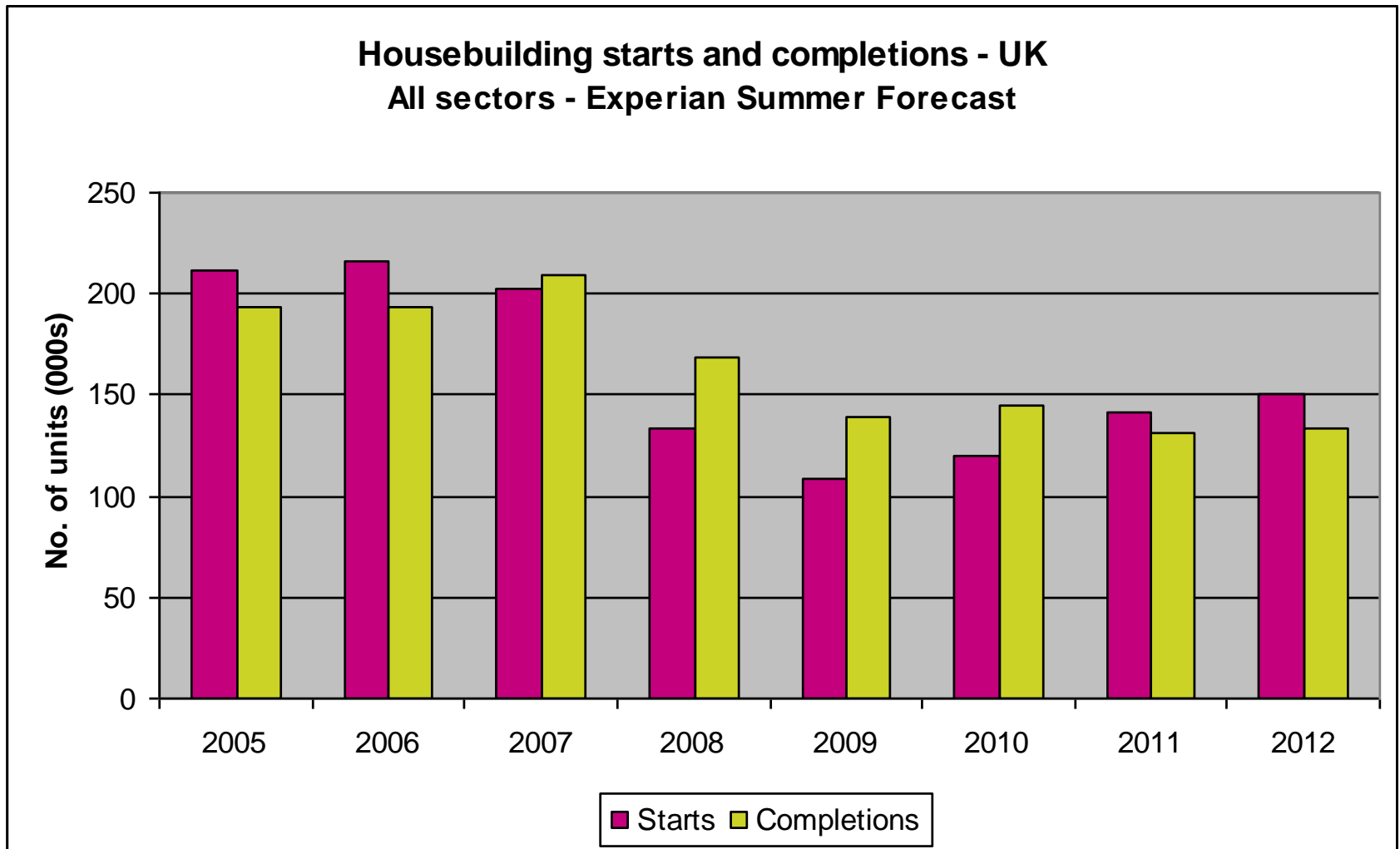
“Housing is key to delivery  
of Government targets”

# A fragile market: North South divide

- ◆ Overall House prices in southern areas are predicted to recover sooner
- ◆ Overall Southern areas will see a greater increase in prices up to 2020
- ◆ Averages hide weaker markets in SE as well as areas of deprivation and specific need.



# A fragile market



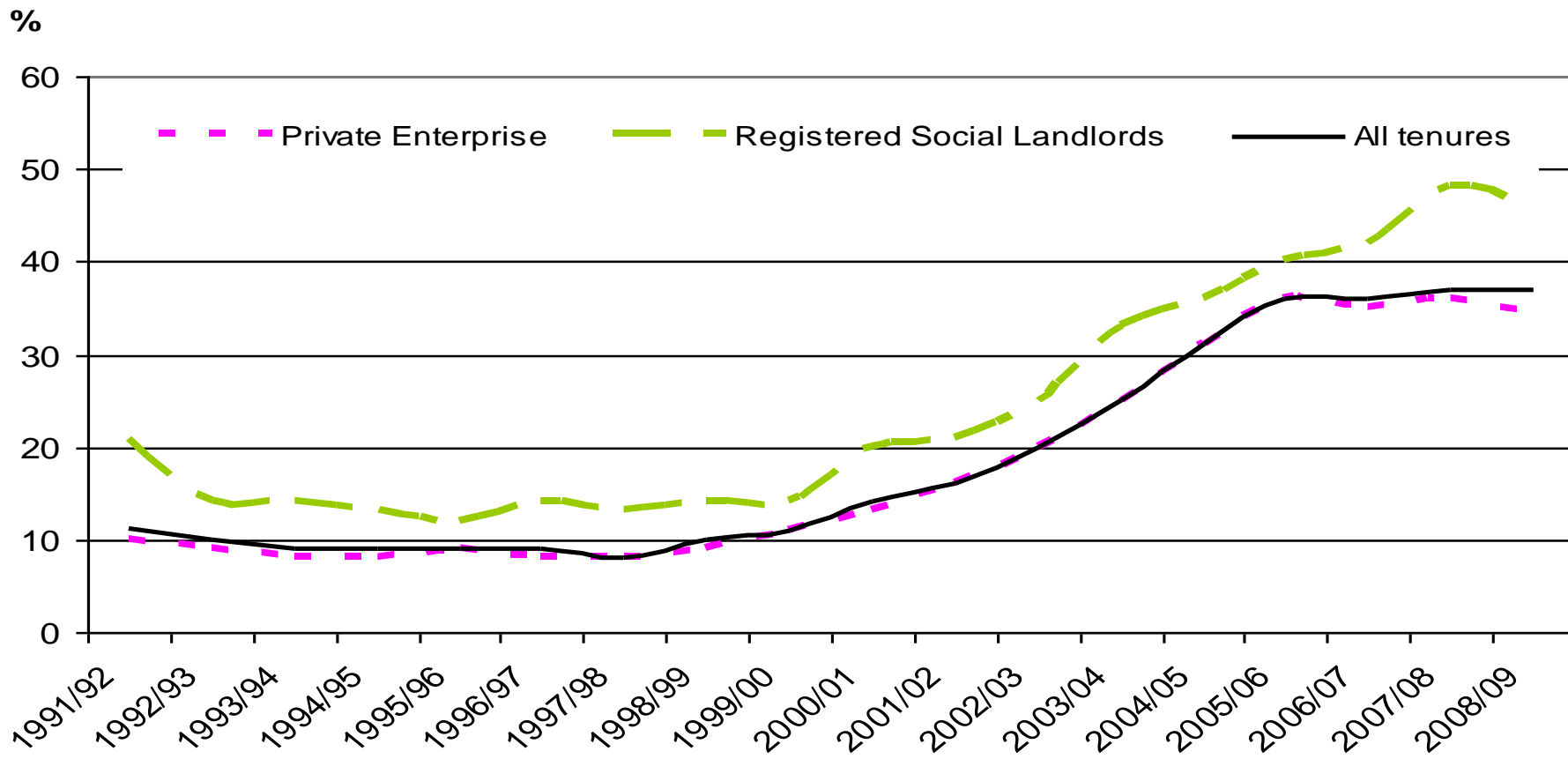
# New supply study – Universities of Sheffield, Cambridge and the LSE



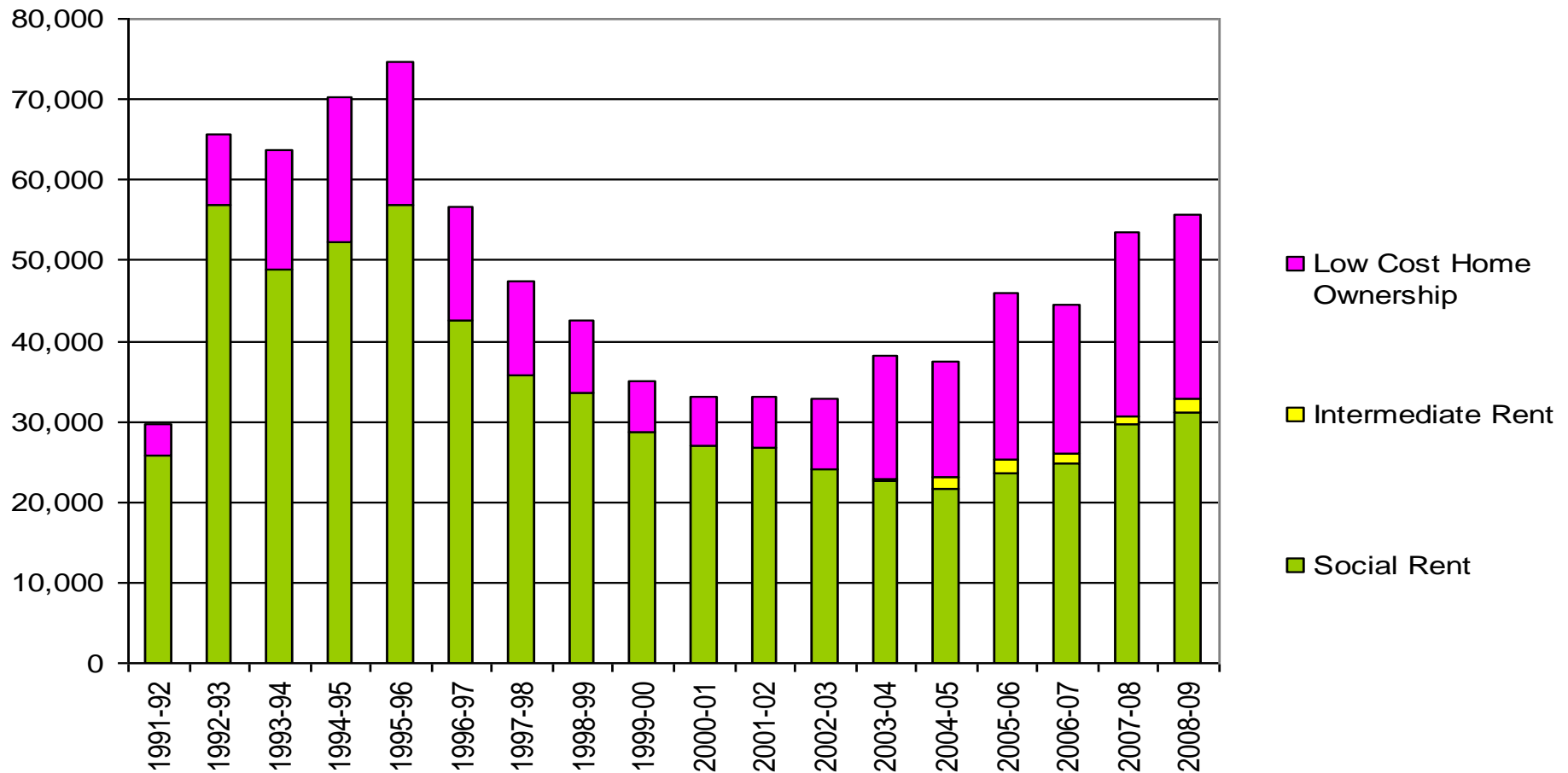
- Geographic dispersal of new social housing
- Volatility – in the number of dwellings built by RPs
- An increase in proportion of 2 bedroom flats
- New entrants towards younger, single and economically active people – smaller households are getting larger units at lower densities
- New build increasingly allocated to existing tenants
- Pressure on land and costs has sometimes compromised design and quality

# Type of units delivered

## Proportion of 2 bed flats in all completions, 1991/92–2008/09

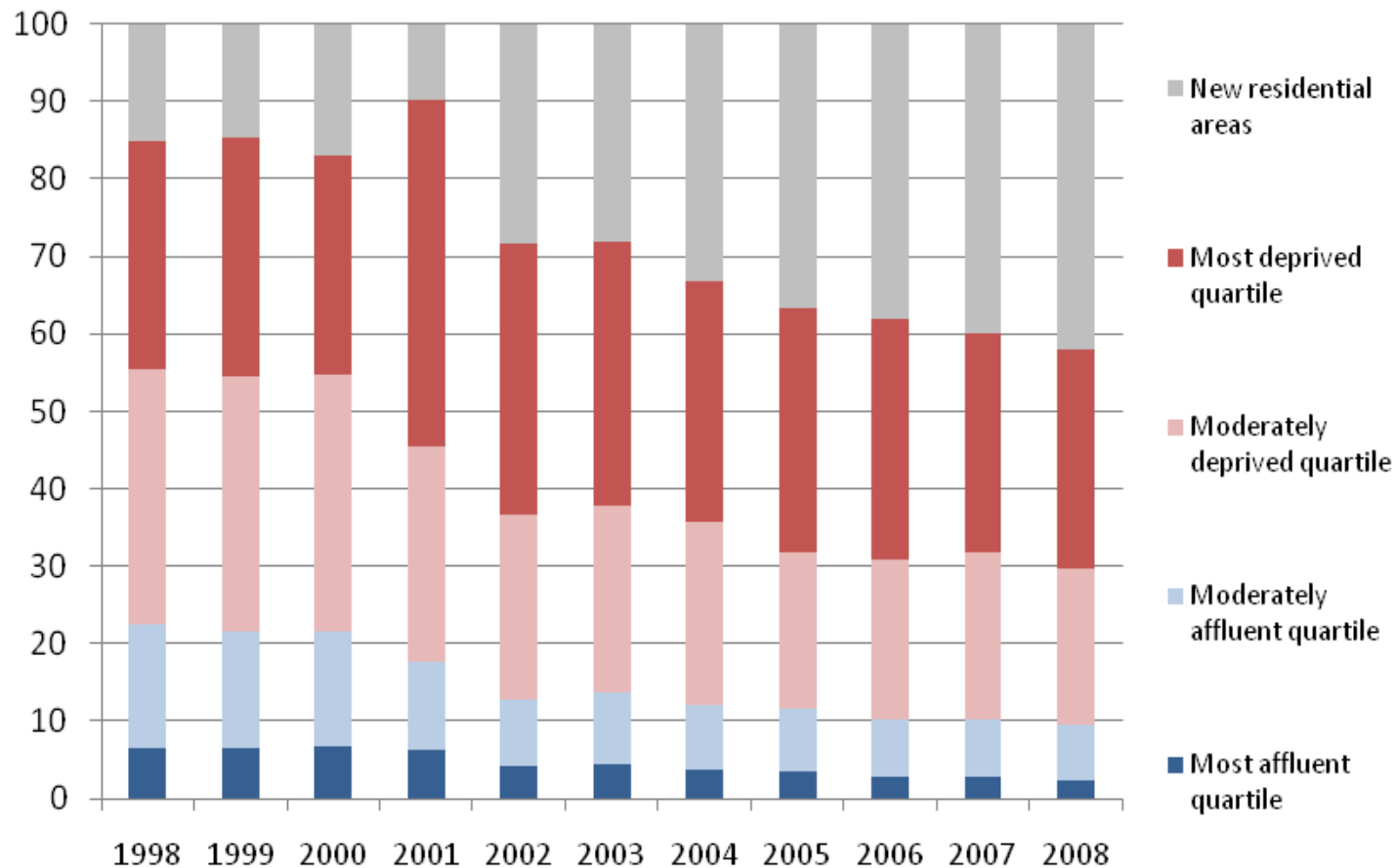


# Mix of affordable homes provided in England 1991/92 to 2008/09



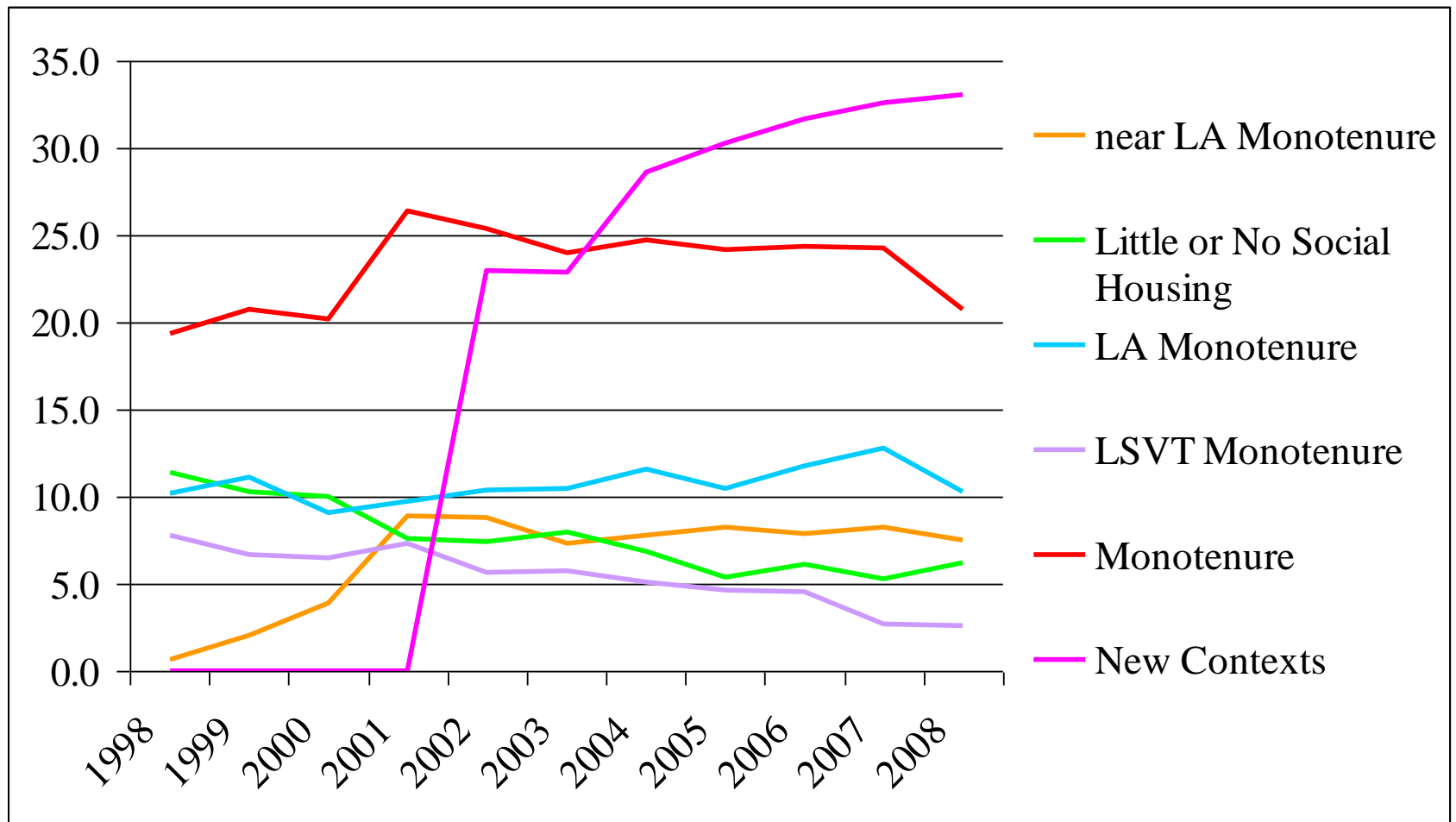
Source: University of Sheffield

# Distribution of new affordable housing across neighbourhoods



Source: University of Sheffield

# Share of new affordable housing built in different contexts



# Local Investment Plans in Kent

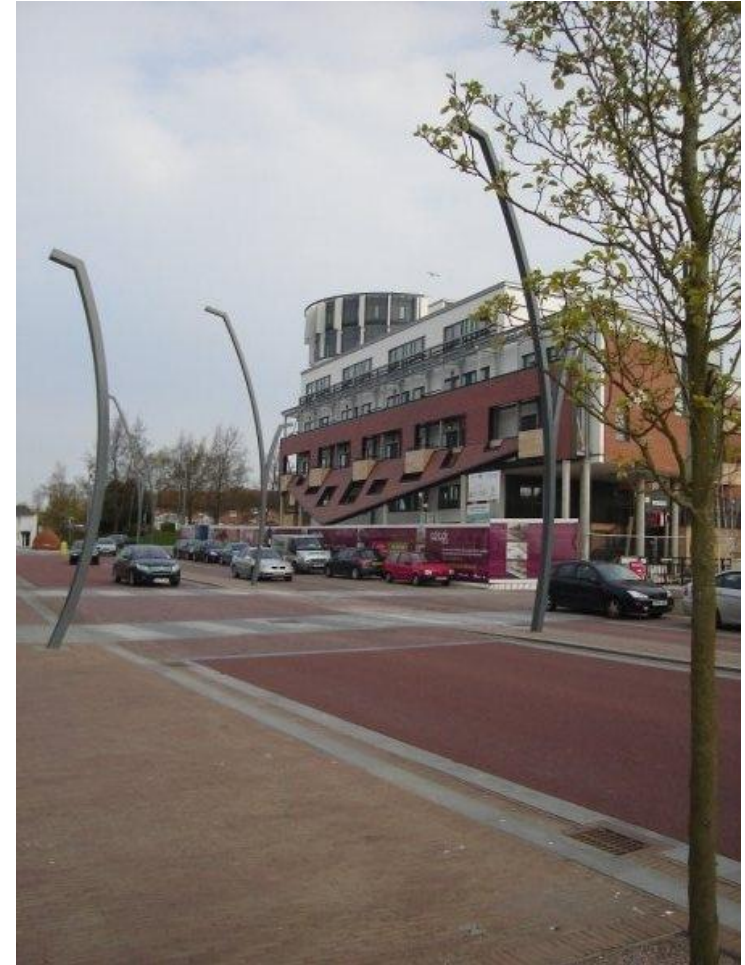
## Key Issues Emerging

- **Delivery of new housing including affordable housing**
- **Affordability (particularly in rural areas)**
- **Regeneration of Existing housing stock (particularly private market and private rented)**
- **Growth Agenda in Ashford, Dover and Maidstone.**
- **Provision of housing for specific groups.**
- **Family housing**
- **Link between Housing, skills, health and employment agenda**



# Journey so far in the South East

- Largest programme outside London-innovative and leading practical in delivery across a complex partnership landscape
- Growth: providing expertise to help deliver major urban extensions
- Regeneration & Renewal: Working with other agencies to deliver new homes and regenerate town centres
- Affordability: Using NAHP innovatively to enable the delivery of new homes in a mixed tenure setting
- Standards: Driving Design & Sustainability Standards
- Partnership Working: Local investment planning
- Responding to challenges: Kickstart and Joint Ventures



# Journey so far in the South East

- Funding now based on project viability not average grant rates
- Emphasis on commissioning
- Move from units/numbers to place-making
- Restructure team with increased emphasis on enabling and commercial expertise
- Excellent progress with local investment planning

**BUT the environment has changed with the Localism agenda**



# Localism

- **A change in emphasis with our partners driving everything we do**
- **Engagement where our assistance is required and sought to help deliver priority projects**
- **HCA offer**
  - More emphasis on expertise, experience and skills of HCA staff
  - Less emphasis on funding support
- **Recognise 'one size' does not fit all**
- **Move to an investment and enabling agency**



# Localism in the SE – Enabling Agency



## Enabling

- **Understanding local priorities - Local Investment Planning**
- **Brokering role with public and private sector to facilitate delivery.**
- **Using own land assets to meet partners priorities**
- **Greater use of other public sector land**
- **Delivery mechanisms to leverage private finance**
- **Design expertise**
- **Commercial experience**
- **Supporting communities in an economic downturn by creating new jobs and stimulating growth**
- **Utilise skills and expertise of staff**
- **Move towards local enterprise partnerships**



# Localism in the SE – Investment Agency



## Investment

- **Existing investment models across the South East:**
  - overage
  - equity
  - joint ventures with developers
  
- **Complete the move from grant to investment support**
  - Investment must continue to reflect project viability
  - Innovation and measured risks
  - Long term approach - roll over investment to deliver communities and not just housing
  - Derive maximum value from our resources
  - Create flexible investment products that bring forward delivery of local priorities
  - Investment flexibility to support communities and achieve place making vision

# Conclusion



- Housing – a vital agenda and central to the Kent Economy
- Real achievements to celebrate
- A flexible but positive approach in an uncertain world