

Working for the South East



AFFORDABLE HOMES STRONG COMMUNITIES



Working For The South East

A review of the Housing Corporation's work in the South East Region

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Our priorities In The South East

1

Chief Executive Jon Rouse outlines the Housing Corporation's ambitions for the South East Region

AT THE Housing Corporation our ambitions are high. We want to be renowned for helping England have the most respected national affordable housing programme in the world. This means excelling in our core work: helping to provide homes to those most in need, and ensuring these are within sustainable and cohesive communities.

To do this effectively we must meet very different needs in different parts of the country. The South East faces a whole range of issues specific to the region, particularly its high housing costs and the rapid growth in its population. This review outlines the housing challenges faced in the region and demonstrates just what the Housing Corporation is doing in response.

There are many reasons why the Housing Corporation can be proud of what our commitment to providing affordable housing has already achieved. In England as a whole:

- we are on course to ensure that by 2010 all housing association stock – over 2 million homes – will be of a decent standard
- since 1988 we have worked with the housing association sector to produce 555,000 new affordable homes, with £18 billion of public investment
- our combination of investment and regulation has helped to attract £23 billion of private finance into affordable housing over the last 15 years
- over 80% of our programme is currently invested either on brownfield sites or in making the most of existing stock



- our drive to continually improve landlord performance benefits over five million people in housing association homes
- most important of all, four in five housing association residents are satisfied with their home and with their neighbourhood.

Against this national background, this review looks at the specific social, economic and market pressures on affordable housing in the South East and shows how we are rising to these challenges. It includes stories of individuals whose lives have been transformed by the work that has already been done by the landlords we fund and regulate.

What motivates all of us at the Housing Corporation is creating and supporting places that people choose to live and stay in. Yes, there are challenges ahead in the South East. But as this review shows, there is a lot to celebrate as well.

2 Better Homes, Brighter Prospects

Our priority is providing housing for those in most need. We also ensure that our funding is used where it can make the biggest difference to the region's economy to create stable communities. Most of our grant helps produce new homes for rent, but we are also helping to reduce the cost of home ownership for key workers and those hoping to set up home for the first time

SOUTH east England is the UK's most heavily populated region, with over eight million residents. As the population expands, our challenge is to make enough homes affordable for rent or purchase. We are responding with a major programme of investment in new rented homes that is sensitive to its impact on infrastructure, public services and resources.

We are also supporting the development of homes for employees that are vital to the region's overall economic strength and homes for first time buyers or those that need assistance to get onto the housing ladder.

In 2004/05, our grants helped produce **5,500** new affordable homes, up 45% on the previous year. About half were for social rent, just under 20% for intermediate rented housing and 30% for forms of low cost home ownership. We also funded over 1,500 Homebuy purchases on the open market. In 2005/06, we will fund an additional 5,700 homes and will help almost 1,800 households buy a home on the open market.

More homes for rent

In 2004/2005 we were able to help **2,750** households move to a permanent social rented home. Provision will remain at this level in 2005/2006 but will rise significantly to 4,000 homes per year in the following two years. By 2010 we hope to have helped **halve** the use of temporary accommodation to house those in priority need.

Black and minority ethnic households and families with children are over-represented in

the homelessness figures. Meanwhile many with no home also have complex support needs, for example drug and/or alcohol problems or risk of domestic violence.

We are prioritising funding to address these challenges. But we are also negotiating wider tactics for preventing and reducing homelessness with councils and housing associations. Good practice in **preventing homelessness** will be one of the categories recognised in our new Gold Awards.

Buying a home

Polling shows that a clear majority of households in the South East aspire to home ownership. Our low cost home ownership funding is helping first time buyers, including key workers and households who will free up a housing association or council tenancy.

Last year, our grants helped **3,300** households buy or part-buy a home of their own. This year, the figure will rise to nearly 4,000. In 2004-06, **33%** of our grant budget will subsidise homes for rent and sale for teachers, nurses and police officers. Investment levels will remain significant in 2006-2008 and we hope to see improved assessment of demand in each location before schemes are given funding.

The range of professions eligible for key worker housing is also to be extended in 2006-08 to include, for example, British Transport police officers, community support officers, planners and qualified nursery nurses. The Regional Housing Board is also keen to see our grant aid reflect local priorities in terms of other essential workers.



Space to live, study and work

The Metro, Slough, with Thames Valley Housing Association

Eleven of the residents at Thames Valley Housing's Windmill Road scheme have a duplex flat purpose-built for 'flexible living'. An internal balcony overlooking the open plan lounge/kitchen can be used as an office, playroom or extra bedroom.

For Mohamed Abdullahi-Barre, it's a place where he can pursue his evening studies after working all day. 'I'm two years into a part-time degree studying networking telecommunications at Thames Valley University. I needed somewhere for my desk and computer. It's so much better looking down on the kitchen and living room than having a little box room.' His shared ownership flat also offers better value for money: 'I'm paying just a little bit more now for two bedrooms than I was paying to my private landlord for just a bedsit. I've bought 40% and every time I save a bit I can buy a bit more of the equity.' The flat also has an attractive view through a glass wall to the communal garden.

Elsewhere on the high density scheme, built by developers George Wimpey on a former council depot site, environmental features include cedar cladding, bicycle stores, flow restrictors on showers to save water, and a 'homezone' through to the main road, ensuring pedestrians take precedence over drivers.



Almost **3,700 homes at affordable rents** (including intermediate rented housing) funded by our Approved Development Programme, Challenge Fund and Key Worker Living programmes were completed in 2004-05. A similar figure will be provided in 2005/2006, approaching 4,500 in 2006/2007

Rural housing

Our investment in rural areas will remain at least at current levels in 2006-08. Seventeen of the 19 most expensive parts of the UK are rural areas in South East England, pricing out young people and those in seasonal or low paid work. The impact of rising house prices also affects larger rural settlements. Around 40% of our region's VAT-registered, non-agricultural businesses are based in small towns, villages or the countryside.

So there is a clear cut need for more affordable rural housing. But finding sufficient and suitable sites is a challenge. This year we will be funding over **300 new homes** in smaller villages of less than 3,000 people. We hope to benefit from the expertise of local councils, DEFRA and the network of South East Rural Housing Enablers to identify further suitable sites.

Decent homes

By 2010, all English housing association homes are expected to meet the decent homes standard for fitness, repair, and thermal efficiency. By March 2005, our records show that the proportion in the South East failing to meet the standard had already been reduced to 16%.

All housing associations now have asset management strategies to ensure they will **meet the standard** by 2010. They have also improved the records they keep on property conditions, alerting them, for example, when a roof or boiler needs replacing.

Housing associations in supervision

The region has had success in reducing the number of supervision cases (where the Housing Corporation intervenes as a result of concerns) over the past year to a record low of three cases. In 2003 the number was in double figures. Cases are

The South East Regional Housing Board estimates that there will be about **4,000 social rented homes** completed in 2006-07, 4,300 in 2007-08 and approaching 5,000 in 2008-09

During 2004-06, we will fund **720 homes in rural settlements** of under 3,000 people, as well as schemes in larger rural settlements. This level of provision will be at least maintained in the following two years

Our 2004-06 programme will see 10% of homes targeted at **black and minority ethnic** households, significantly in excess of the South East population of 6%

In 2004-05, 3,300 homes were provided for **low cost home ownership** schemes to key workers and others (including Homebuy open market purchases). In 2005-06, this will rise to 4,000 homes, with continued provision at this level in the following two years

now being resolved in a shorter time scale than ever before. This helps benefit tenants as their housing management experience improves as a result of our intervention.

Wider impact

We expect our investment in housing to also improve people's **prospects**. We actively encourage associations to engage in activities beyond house building and management, working with others to create neighbourhoods where people will choose to live. We also fund and promote good practice, through one-off grants for partnerships or initiatives to build community spirit, broaden people's career options or encourage wider take-up of healthier lifestyles.

Faster, safer, less waste

Medbourne, Milton Keynes, with Midsummer Housing Association

Midsummer's recently completed Medbourne development tested three different modern methods of construction, using materials prepared offsite by local manufacturers, including:

- open panel timber frames, where windows are installed onsite after the pre-fitted floor, wall, and ceiling panels are connected
- closed panel timber frames, which come with pre-fitted windows
- volumetric modules, using stacked boxes with everything from windows to plumbing and wiring pre-fitted.

Though full analysis of the systems is yet to finish, early findings, says Business Development Director Maggie Sherlock, include faster construction, with each home finished an average eight weeks faster than the traditional 24. The approach has produced homes that meet the EcoHomes Excellent rating. Waste was reduced by using computer calculations to cut timber and steel.

And with most of the complex work done in local factories, less skilled labour was needed on the building site, which was healthier and safer. But cost savings may take longer to achieve. 'We added a lot of extra details, like solar panels, and are not yet getting the benefit of economies of scale,' Sherlock adds. Midsummer's willingness to test new ground is winning plaudits. It has been commended by the Mail on Sunday HomeBuilder Awards for most innovative technology. 'Midsummer's approach has delivered real innovation in design and construction, exceeding our own very challenging standards,' says Graham Hyslop, Senior Regeneration Manager at English Partnerships. The scheme has generated 65 flats for shared ownership, including 30 set aside for key workers, and 20 houses for affordable rent.

The **planning process** is boosting our programme by producing over 1,000 affordable homes in 2004-2006 without any social housing grant

An end to bed and breakfast

Broadlaw Walk, Fareham, with Portsmouth Housing Association

Portsmouth HA's award-winning Broadlaw Walk scheme is a vital link in Fareham Borough Council's drive to **end use of bed and breakfast** for homeless households. Those accepted as homeless by the council can expect to spend five to six months in one of the 12 two-bed or six one-bed flats at Broadlaw Walk until they get an offer of a permanent home, time that Fareham's Housing Strategy Manager Malcolm Stevens says 'gives them time to pull their lives together. It is far superior to bed and breakfast – in fact some are sorry to move on. They have their own front door and key and have the place to their own.' The building's high standards, he adds, means it could revert to use wholly or in part as permanent accommodation. Broadlaw Walk marks a new approach to building design for Portsmouth HA, following a review of earlier schemes. The scheme, which won best housing scheme in the 2005 Housing Excellence Awards, sponsored by Northern, Midland and Southern Housing magazines, uses 'quality materials, contemporary provocative design and an emphasis on sustainability' the association says. Broadlaw Walk has also turned an unloved parking area and ill-defined pedestrian routes into a new shoppers' car park to the front and, to the rear, a private garden with new pedestrian and cycle paths.

Existing homes and regulation

As well as directing public money into new affordable housing schemes, we have the important task of checking that existing homes are well managed. Together with the Audit Commission, which assesses service performance, we monitor housing associations for financial viability, governance and management standards.

Effective regulation of housing associations makes for well managed homes and a better, more cost effective service for tenants. But we are mindful of the need to keep bureaucracy to the minimum level needed. So in April 2005 we introduced a new style of regulation based on a risk assessment. This has let us reduce time spent checking associations that consistently perform well, **targeting** our efforts instead at help for struggling associations.

The new system focuses on outcomes rather than on just ticking boxes. In this way we can be more flexible, and associations can demonstrate their compliance in a number of ways. We will expect associations to continually improve by taking the primary responsibility for monitoring their work.

Risk-based regulation moves away from a 'one size fits all' approach. Our relationship with smaller, well performing, associations will become more reactive. They will notice less paperwork, fewer reviews of their business activities and fewer meetings with executive management teams and boards. This should mean less work for them and corresponding savings.

For group structures we will be concentrating on our relationship with the group parent, thus lightening the load for subsidiaries. Within regulatory plans we will focus on specific identified risks.

The new approach – along with **efficiency savings** already being produced (see box, right) – will increase associations' capacity. They will be enabled to deliver not only better new homes more quickly, but improved standards of service for existing tenants and leaseholders.



Decent homes

At the beginning of 2005/06, 84.3% of housing association properties in the South East passed the decent homes standard. All associations in the South East remain on target to meet the standard by 2010

Efficiency savings

All housing associations are required to make efficiency savings in coming years, to increase their new homes output and improve resident services. Each year we receive annual efficiency statements from those with over 250 homes. In the South East, these forecast savings of £37m in 2005/06, including £15m in management and maintenance, £17m on capital works and £5m on commodities

'Green light' landlords

We continually assess housing association performance and summarise it in the form of 'traffic lights'. 86% of the region's housing associations pass all four of our 'green light' tests: 93% are green on viability, 89% on proper governance, 91% on properly managed and 100% on development

Green homes for villagers

Manor Fruit Farm, Normandy, with Greenoak Housing Association

Greenoak Housing Association has provided relief from a pressing shortage of affordable homes in the village of Normandy, housing 12 families in new semi-detached houses built on the site of a former fruit farm, owned by Guildford Borough Council. Though three-quarters of Greenoak's new tenants work full-time, and all have strong local connections, none could afford to buy in the village, where even a two-bedroom flat can cost close to £200,000. They include Kirsty Young and partner Matthew Hammond, whose second child was born shortly after they moved to their new home. They were previously living apart with their parents. Others like Mr and Mrs Twigg, whose children are now grown up, have downsized from a larger council house a mile away.

Chairman of Normandy Parish Council Albert Cunningham has championed the scheme from the start. 'Though we don't own the land, we really wanted a say in what would go there,' he says. 'There are so many young people in the village who are desperate to get on the housing ladder but can't afford to buy round here. Without affordable housing, they have to leave. I'm really pleased to say that all but one of the houses have been filled by people from the village.' The homes take up just one small part of the former fruit farm. Elsewhere on the 13 hectares is a new village, a GP surgery, nursery and sport and community facilities – 'everything from football to croquet', he says. The houses all meet the EcoHomes Excellent standard, with super-insulated walls, triple-glazed windows and heat recovery ventilation systems removing the need for added heating or electric fans. Other features including low energy lighting, non-toxic building materials and finishes and low water consumption, achieved through use of water-efficient showerheads and spray taps, low flush WCs and water butts that collect rainwater.



“ I'm really pleased that almost all the houses have been filled by people from the village ”

Involving residents

Resident involvement is at the heart of our approach to regulation. We expect all housing association activities and services to fully involve residents and take account of their views. All associations in the South East are required to:

- actively involve residents in decisions about their homes
- agree involvement statements with residents setting out how this will be achieved
- assess the extent of involvement each year
- report on the impact this has achieved and take action if necessary to improve performance

3 Our Impact: Quality Design

Over the next few years we hope to see a major improvement in the design of schemes we fund, building on the clear set of standards already in place. Quality design is now a critical part of what we aim to achieve with our investment, with developing associations encouraged to appoint their own ‘design champion’

WE BELIEVE good design embraces a range of factors, not just a visually pleasing look. We consider a building design’s suitability for the people we expect to occupy it, their changing physical requirements through life, and the wider impact of the schemes we fund on the local service infrastructure and the environment. In future, we will want more of the homes we fund conforming to the design principles set out by Building for Life – a partnership between the House Builders Federation, CABI and the Civic Trust.

Budgeting for design

We are conscious that any drive to improve design standards could potentially increase construction costs. So we are looking for ways that associations can avoid this. We have therefore commissioned CABI to assist leading housing association developers to learn from techniques that incorporate good design and ‘building for life’ principles without significant cost implications. As grant becomes available to developers, we will make sure they also understand the importance we place on good design.

Design champions club

In 2005, the region helped establish and is now leading a design champions club for housing

Creating excellent buildings — a guide for clients

Working closely with CABI, the Commission for Architecture and the Built Environment, we recommend these key good design approaches for landlords commissioning new buildings:

- provide strong client leadership
- give enough time at the right time
- learn from your own and other successful projects
- develop and communicate a clear brief
- make a realistic financial commitment from the outset
- adopt integrated processes
- find the right people for the job
- respond and contribute to the context
- commit to sustainability
- sign off all key stages

associations, which will we hope raise the bar for the standard of future schemes, enabling housing association appointees to discuss arising issues with our innovation and development team and encouraging close collaboration with architects and SEEDA.

The club’s early targets are for all Corporation-funded homes to achieve EcoHomes Very Good or Excellent standards, to share good practice and to improve street layouts, landscaping and parking and refuse areas. It also hopes to encourage better use of design by private developers through section 106 agreements.

Demand soars for transformed estate

Oakridge Village, Basingstoke, with Sentinel Housing Group

The transformation by Sentinel Housing Group of one of Basingstoke's least popular housing estates has led to rocketing demand, with nearly 800 people queuing up to apply for keys to the first 50 new homes completed. Donna Astley (below), who moved in three years ago with her partner and two daughters, admits the neighbourhood wouldn't once have been her first choice, but adds: 'It is lovely now, the shops are so much better and the houses are beautiful. My house is enormous, with a huge kitchen/diner downstairs and two huge bedrooms upstairs.' Oakridge Village is a far cry from the 1960s maisonette blocks it replaced. The density has doubled, with 299 homes replacing 148, but the neighbourhood feels far from cramped. A new village green at its heart is overlooked by a 'village hall' incorporating a health centre, and a high street of five new shops with three play areas. There is a mix of rented and sheltered housing and homes for shared ownership, key workers and private sale, pepperpotted and identical. A homezone and 20 mph speed restrictions ensure safe walking routes. Donna's pride in the area is tangible. 'We've got all the local amenities here – a nursery next door, a hairdresser, newsagent, Post Office, chip shop and chemist – and we don't get any trouble at all.' The scheme has also been winning awards, among them the Building for Life gold standard 2005, the National Housing Design Award for Affordable Housing and our own Richard Field National Design Award 2005.



Environmental impact

We recognise that bringing new households to any area will usually increase demand on already depleted resources and generate road traffic pollution. We therefore encourage schemes that will have a minimal impact on the environment, during construction and in use – and through sensitive siting.

Where appropriate, we will want to see a minimum of 40 homes built on each hectare, and much more in more urban areas, to avoid sprawl. All schemes we fund must meet, as a bottom line standard, the Very Good rating.

Faster construction, lower costs

Cutting the cost, risks and time needed to build new homes are government priorities. So we are encouraging use of innovative construction methods. In 2004-06, over 60% of new affordable homes in the South East will use modern construction methods. Some of this work is still in an experimental phase and it would be naive to expect instant results. But we confidently expect to see tangible results over time.

What makes for quality design?

- fit for purpose
- good quality construction and materials
- minimal impact on natural resources – in construction and in use
- adaptable and efficient for changing life needs
- safe and secure for occupants
- building scale is proportionate to the site and neighbourhood
- aesthetics add to local quality of life

4 On The Spot

Fiona Cruickshank, South East Field Director, explains the Corporation's response to some of the harder challenges faced in the region



The region is going to get a big increase in new homes in coming years. But will the necessary infrastructure and additional services materialise?

If you want to create new communities where people genuinely want to live, infrastructure simply has to be put in place. There are various ways of achieving this, through tariffs, section 106 agreements and grants from government. We make it clear that we don't have to put our resources into the growth areas or anywhere else if we don't think they will work.



Is it enough just to increase homes in the growth areas and are they for local people or incomers?

Both Ashford and Milton Keynes are clear that they not only want to provide homes but jobs too. So this isn't just about homes for local people, it's about expanding communities and providing work. A significant proportion of the homes will be affordable.

For example in Milton Keynes 30% is the projected figure, with the aim of reducing the numbers in temporary accommodation.

And of course attracting economic growth into these places will benefit local people. Earnings will be boosted and more jobs will be made available. These things in themselves will help people to resolve housing issues. If we can help more people to earn more and make their own way, that will increase our ability to help those in most need.

How will you ensure that lessons will be learned from Key Worker Living schemes that were initially hard to allocate/sell?

The bottom line is that over 3,000 key worker households have benefited from the programme over the last year. Yes, there has been a problem with a small number of schemes becoming occupied slowly, but that is improving.

Any new product needs to learn from its initial marketing. And we have now in some areas widened the client group and changed the tenure. We strongly promote mixed tenure solutions with a clear focus on mixed communities.

“ Infrastructure simply has to be put in place. We won’t invest our resources in places that we don’t think will work ”

Are you worried that the lighter touch approach to regulation risks problems not being picked up until it is too late?

The majority of associations are well run businesses and don’t need to have us second guessing what they do. Well run associations will be freed up to concentrate on what they’re best at. They will save time and money, avoiding unnecessary scrutiny processes, to concentrate on delivery. It’s not a good use of our resources to investigate associations where there is no evidence of risk. With our more focused approach we can also move into action much more quickly if problems do emerge.

Can this already crowded region really cope with the number of new homes planned?

I think we have to remember the number of people who can’t afford a home. More and more people in the South East are becoming concerned about their children’s housing prospects. Providing more homes, particularly affordable homes, is in itself a good thing.

When you see what a difference it makes to a household that used to be in temporary accommodation, or a couple starting off in home ownership through our low cost home ownership programme, that’s what inspires us. Perhaps we’re not good enough at getting across this good news story. Another advantage of our new homes development is the way that we are successfully creating sustainable communities – mixing affordable homes with private homes. You shouldn’t be able to tell the difference.



How appealing is high density housing?

Georgian terraces are high density and lots of people want to live in them. The same is often true of terraces or village homes. High density is not about having no trees, it’s about creating real communities rather than areas where people separate themselves off from one another. It is also about places within reach of services and shops. Even tower blocks do not necessarily have to signify a failed approach to housing. In New York, after all, they are called penthouses and are highly desirable. This is all about creating the right product for the right people. Yes we’ve had to learn the lessons from the 1960s. But it wasn’t high density that caused the problems with some of the council housing tower blocks. It was their poor quality and the way allocations created concentrations of deprivation.

5 Concerted Action Areas

Three of England's growth areas – communities identified for significant expansion of new homes – are within or partly within the South East Region. Up to a fifth of our budget is earmarked for these places. But we are sensitive to the need to avoid unsustainable development and we maintain a close involvement in other regional priorities such as neighbourhood renewal in deprived areas like Hastings

KATE BARKER'S review for the Treasury identified four parts of the country that have the capacity to support **population growth**: Ashford, the Thames Gateway, Milton Keynes/south Midlands and the M11 corridor. Up to **20 per cent** of our budget over the next two years will be channelled into the first three of these areas.

This is not a return to earlier planning policies that saw communities relocated wholesale to new settlements. We are acutely conscious of concerns about losing greenfield land, pressure on local services and increased demand on scarce natural resources. So while our role is primarily funding new homes for affordable rent or ownership, we are working very closely with existing communities and other organisations and interested parties to ensure **sensitive** development that is viable in the long term.

The required work will take many years to complete. We are playing an active role in local authority-led forums to identify the type and number of homes needed, to identify suitable sites and the housing associations who will make sure these are built, and to the high standards we demand.

We are also helping to fund efforts to regenerate town centres within these growth areas – all part and parcel of making sure the new communities are properly thought through, with essential services and employment opportunities close to home and easy access to leisure and outdoor pursuits.

Use of brownfield sites will be prioritised and all the homes we fund will be expected to meet the EcoHomes Very Good rating, ensuring much more

exacting environmental standards for building materials and construction methods, property insulation, and energy and water consumption.

Growth areas

We are actively involved across the North Kent area of the **Thames Gateway** through our membership of the local delivery boards and as a key member of the North Kent Housing Partnership, which also represents councils and housing associations. Through these arrangements we are involved in the development of Eastern Quarry (see box, right) as well as other major development opportunities.

We are also funding a neighbourhood management partnership with a community training and enabling grant of £120,000, spread over three years, to coordinate **community initiatives** and regeneration work. This will test new ways of working with established and incoming residents, regardless of tenure. It is a model we hope can be adapted for use in other areas of the Thames Gateway and adopt in other growth areas as well.

In **Milton Keynes** we working closely with all partners to increase the quantity and quality of affordable housing. Our field director sits on the Milton Keynes Partnership Committee, the board established to implement the growth strategy here.

We also work closely with English Partnerships and the local authority through a joint housing delivery team, while helping the council to develop and monitor its housing strategy.

Planning gain in the gateway

Eastern Quarry is one of the largest development sites in Europe. We expect section 106 agreements, secured between Dartford Borough Council and landowners Land Securities, to set aside 30% of the homes as affordable. Section 106 agreements have been used successfully at other local developments including Bexley Hospital and Ingress Park in Dartford. Together with the council, we were able to provide funding to secure affordable housing following the negotiated agreements that secured land on the two sites, being developed by Barratts East London and Crest Nicholson plc. Hyde Housing Association, which has worked with both developers in the past, was selected as the preferred partner to develop 82 homes for rent and shared ownership, with our support. Hyde has a dedicated team working with residents of both new estates, helping them to identify areas for improvement and encouraging active participation in community affairs.

Ashford

Ashford is the only one of our growth areas that does not overlap with other regions. By 2031, it will have an estimated 31,000 new homes, adding huge pressure on the town's infrastructure services and natural resources. Among the priority activities therefore are upgrades to the town centre, which we are helping to fund, improving the water supply and flood management, and planning how best to invest in public transport, education and health care along with social and community facilities. The Housing Corporation is playing an active role here, as a member of the local delivery board and with the delivery managers forum.

Neighbourhood renewal

Hastings is one of the South East's most deprived districts. A stagnant economy is reflected in high levels of unemployment and child poverty, low educational attainment, sometimes run down



buildings, parks and shopping areas, plus poor rail links with other towns and cities. In Hastings and Bexhill we are working closely with SEEDA, local authorities, English Partnerships, private landlords, voluntary agencies and the local strategic partnership to link the housing element of a five-point plan to broader renewal objectives. Specifically, we are responsible for a strategic reduction in homelessness, and have had a leading role in master planning for the Ore Valley and agreeing the urban design brief.

6 Looking Ahead

In the years to 2008, we will be working to the funding priorities of the Regional Housing Board as set out in its 2006-2008 housing strategy. There will be an increased emphasis on social rented housing, introduction of the new Homebuy ownership options and a continued focus on key workers, housing in rural areas, modern methods of construction and better quality design and environments

THE SOUTH east has three main priorities for action in coming years: addressing the chronic under-supply of decent affordable housing, planning and investing in the infrastructure needed to support a rapidly growing population and improving the standard of existing properties.

We are confident we will make a real impact on all three areas. But we recognise that the best results come through working with other people – residents and professionals – to agree what works and learn lessons from the past. We are therefore changing the way we work in a number of ways.

Increasing housing supply

The South East of England Regional Assembly has agreed a need for 28,900 new homes every year over the next 20 years, a figure other studies suggest is a cautious estimate. Of the 28,900, SEERA wants 25% to be social rented, with other intermediate forms of affordable housing making up another 10%.

Home ownership options

We plan to broaden the range of low cost home ownership products under Homebuy to offer:

- Social Homebuy which will give established housing association tenants the choice of buying a 25% plus share in their own home, with rent on the remaining share capped
- Open Market Homebuy, which allows key workers, council and housing association

tenants, people on housing waiting lists and a range of first time buyers – from a list agreed by the Regional Housing Board – buy a home on the open market with a mortgage or savings for around 75% of the purchase price, with the balance paid for by a loan from a housing association

- New Build Homebuy, targeted at the same audience as Open Market Homebuy, but allowing purchase of 25% or more of the equity of a newly built home, with a capped rent on the remaining share.

Open bids regime

We will be opening up the grants bids process to a wider range of organisations experienced in building good quality homes. The idea is to make sure our budget is spent by those best able to stretch limited public subsidy without compromising standards.

But all our investment decisions will be guided by evidence that a scheme:

- offers value for money
- meets broader objectives including regional and local priorities
- is subject to accountable decision-making processes
- offers partnership working
- can efficiently deliver the expected outcomes.



Investment hot spots

Over the next two years, we plan to focus half our investment on the parts of the South East where house prices are putting home ownership beyond the reach of local working people and those that have the highest numbers of homeless households currently living in temporary accommodation. These have been defined by the Regional Housing Board as being the **higher priority areas**.

But we will also look at the bigger picture – encouraging cross-boundary working and reusing previously developed sites. We will have to be flexible about where we can support development based on site availability, infrastructure and sustainability.

Greater focus on social rented property

We will be stepping up funding to increase social rented provision by almost 3,000 homes over the next two years, to cut the use of temporary accommodation for homeless households and meet the government's target of halving these numbers by 2010. This will be achieved without affecting budgets for other forms of affordable housing through efficiency savings and because our overall budget is set to increase.

Support for key workers

We will continue to support the government target of helping front line public sector employees in priority professions to secure affordable housing through subsidised ownership or rent, where there is clear evidence through **market research** of recruitment and retention problems in the identified professions. We will also push for local evidence about how other essential workers adversely affected by high house prices and will make funding available accordingly.

Rural housing need

We will continue to look for ways to fund **sensitively planned** and designed housing schemes in small rural villages, maintaining funding at the current level of 360 homes per year. In addition funding at the present level at least will be provided in larger rural settlements acknowledging their important role in the rural parts of the region as centres of employment and providers of services to their residents and surrounding areas.

Blueprint for using council sites

Chapel, Southampton, with Swaythling Housing Society

Swaythling acted as lead developer for the City Council-owned former lorry park to create a 174-home mixed tenure development in the Chapel area. The site edges into a former regeneration area but is minutes from some of the most expensive real estate in the city. 'The complex procurement process is a blueprint for developing public sector land,' says Development Director Andrea Taylor. A three-way agreement led by the City Council and Swaythling saw developer Persimmon build the homes and market those for sale, making its profit from the construction works and sales. 'The development is tenure blind, with the same internal layouts. Looking at the properties now I can't even remember which we own,' says Taylor. Perimeter blocks keep the communal gardens secure and discreet underground parking is provided. Communal lighting is powered by photovoltaic panels, installed as a pilot project funded by the Energy Savings Trust and SEEDA. Swaythling has retained the site freehold, so private owners have a 125-year lease. All residents contribute to the cost of the communal gardens and external areas. Joanna Renouf, who has lived in Chapel since April, says: 'The four of us were previously crammed in with my mum and her partner. Now we are so close to town and my daughter goes to the playschool just across the road. Our new home is just the right size and we really love it.' In October 2005 the scheme was awarded the Building for Life standard, an award for design quality backed by CABE, the government and the housing industry.

Regional priorities

The South East Regional Housing Board's main priorities for 2006 to 2008 include a number where we will play a leading role:

- increasing the **supply** of housing across all tenures to meet current and future needs – the South East will be increasing grant-funded affordable housing provision by almost 5,000 homes (+30%) in the next two years
- increasing the supply of permanent, affordable rented housing to alleviate the pressures of homelessness and the number of households living in forms of temporary accommodation – this is set to increase by 50% from current levels, alongside continued work on homelessness prevention
- continuing support for defined **key workers**, as well as other **essential workers**, to support economic growth and service provision in the region
- continued assistance to **help other households on to the housing ladder** through forms of low cost home ownership
- provision to **small villages** and **larger settlements** in rural areas at least at current levels
- support to the designated **growth areas** with up to 20% of funding
- focus on **higher densities** with a minimum of 40 homes per hectare for affordable housing, other than in exceptional circumstances
- a move towards funding **large sites** to meet need across local authority boundaries and across sub-regions
- support to local authorities to meet **decent homes** targets in the public and private sector, in particular through innovation

Notes

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