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What can councils learn from the Battersea Power Station redevelopment?

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The current private sector system of house building is not working – but is there a better way to invest?

‘Place’ made key to new Homes England strategy

By Paul Marinko

Homes England has launched a new strategic plan which it says takes on board feedback from councils about its approach.

With an increased focus on a ‘place-based’ way of working, the plan will see the Government’s housing body ‘tailoring its powers, funding, expertise and technical capacity to the specific challenges’ faced in different parts of the country.

Talking to *The MJ*, Mike Palin – Homes England’s executive director for markets, partners and place – said they had taken on board feedback from councils that the organisation had not always been using its ‘tools’ and funds to deliver on local priorities. Councils, he said, had often felt the organisation had become ‘too national’ in what it was doing.

He highlighted the agency’s recent partnership with Sheffield City Council, where it has been able to provide extra capacity and capability, as evidence of the new approach.

Referring back to his time as chief executive of St Helens MBC, Mr Palin said: ‘I could not obtain the skills I needed for an ambitious regeneration and housing programme.

‘Those skills don’t exist in the market, bearing in mind the cost pressures that councils face.

‘Homes England has surveyors and planners, distributed throughout the country from offices in Newcastle to Manchester to Coventry to Bristol and we’re here to work in partnership with local government when perhaps they’ve not got the capacity in-house.’

After a period where Homes England has focused primarily on the ‘affordability challenge’ – an approach which has led to the criticism that the agency has been too South East focused – the organisation’s new strategy aims to ‘deliver a revitalised built environment across England that serves the needs of all communities’.

Mr Palin added: ‘Local government wants



The recent partnership between Homes England and Sheffield City Council has highlighted the direction the agency wants to go towards

to have that closer relationship with people that understand their market because, obviously, Manchester is different to St Helens and the North West is different to the South East.’

Recognising the continued progress of regional devolution, Homes England’s new plan will also aim to work more with devolved areas.

Alongside its existing strategic place partnership (SPP) with Greater Manchester, the organisation this week signed a further SPP with West Yorkshire at the UK Real Estate and Investment Infrastructure Forum in Leeds.

Mr Palin said they were also ‘in conversation with a number of other places’.

The agency’s revitalised mission is underpinned by a determination to create

‘vibrant and successful places’ by working with councils and other partners to deliver ‘housing-led mixed-use regeneration with a brownfield-first approach’.

It aims to provide the homes ‘people need’ by ‘intervening where necessary to ensure places have enough homes of the right type and tenure.

And, with a desire to drive ‘diversification, partnership working and innovation’, Homes England has also committed to providing ‘high-quality homes in well-designed places that reflect community priorities’.

But, Mr Palin added a note of realism about the organisation’s ability to deliver for everyone while also hinting that strong local leadership would be rewarded.

‘We have to be honest with local government that we can’t offer a universal service,’ he said.

‘Not everyone can get an intense level of support, but there is a recognition that where delivery can be achieved we need to have a more focused effort.

‘There’ll be some places where we will be entering long-term partnerships to deliver both housing and regeneration ambition.

‘Our focus is on those places where we can get the most delivery. Need feeds into that but what we can’t do is go into places where there’s just no vision, leadership or willingness to make tough calls.’ ■

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Ten years ago, the then Prime Minister David Cameron inaugurated construction work at Battersea Power Station in the London borough of Wandsworth. In his speech, the Prime Minister noted that the building had been closed for 30 years.

A decade later, Battersea Power Station has been preserved as an iconic London landmark and reactivated as a highly attractive new London district. Six months after opening, five million people have visited the mixed-use power station (including the editor of this esteemed journal who happily messaged me after her visit).

Council policy makers should consider this: Why was Battersea Power Station closed and derelict for 30 years, and how has it come to be reactivated in the last decade? What can we learn from this?

The central reason for the wasted decades is that it is a Grade II listed building that cannot be demolished and carries significant constraints in its redevelopment. Heritage buildings are invariably expensive to improve, and this is especially true of Battersea Power Station.

Surprisingly, this case study has echoes in every local authority in the country although the results are often different. While heritage buildings of every kind – including private domestic houses – are one of the distinguishing features of the UK, there is little, if any, incentive for owners to invest in their carbon neutrality or their basic preservation. Hence, the interest of developers in buying listed properties is negligible, and their interest in buying heritage buildings that are unlisted will be primarily for demolition.

Therefore, Battersea Power Station is currently very much an outlier as a case study in the prospects for investment in historic buildings. Take Extwistle Hall in Burnley for example, which is also Grade II listed.

Like Battersea Power Station, it has been closed for decades but it remains closed. So many historic buildings are caught in this dilemma – the outcome is invariably demolition (for non-listed buildings) and either the impact of cold homes and high emissions, or infinite periods of emptiness and dereliction (for listed buildings).

Housing is a highly contested political topic – who would think that local targets could be so contentious? In housing, they are. They might even become one of the principal debating issues in the next General Election. I think that policy makers – in an effort to achieve the maximum consensus on how we simultaneously move towards net zero at the same time as finding new homes for people – should review how this can be achieved in their area.

Although listed buildings are of course protected from demolition, these also need support and protection. There are around 500,000 listed buildings in England. Most of these are not high value and grand residencies – many are small, poorly insulated cottages, terraced homes and apartments.

Incredibly, although new houses are exempt from VAT, VAT is charged on heritage (and listed) buildings at the full 20%. Until 2013 significant VAT concessions were available on listed home construction work, but these were removed

The power of redevelopment



What can local authorities learn from the stunning redevelopment of Battersea Power Station? Paul Martin suggests there are lessons for housing, environmental issues and for the way we deal with listed buildings

completely by the coalition Government in that year. Yes, the same year that David Cameron launched construction work at Battersea Power Station.

This environmental approach – to constrain demolition at the same time as incentivising investment – is true for any type of existing building, even if it is of more recent vintage. In a pioneering move, the City of London Corporation has just published new guidance which encourages developers to consider alternatives to demolition at the earliest stage of the planning process.

This is a plank of the Corporation's Climate Action Strategy goals to achieve net zero carbon in its own operations by 2027;

and by 13 years later, across the whole of the Square Mile. This guidance should enable the retention of older buildings that would otherwise be demolished, as well as avoiding the considerable environmental costs of demolition and reconstruction.

I believe this will be widely welcomed and should be considered across all local planning authorities

The opportunity open to us includes the reactivation of 250,000 empty buildings. Nearly a quarter of all UK homes are historic properties, built before 1919. This rises to a third of all commercial properties. The National Trust recently reported from its research that these properties are responsible





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Fixing housing finance

The current private sector system of house building is not working, says **John Tatham**. But there could be a better way to invest that works for local authorities and residents

The housing crisis, which is one of local authority leaders' biggest headaches and suffers from a chronic lack of both supply and quality, can be solved.

We have a private sector system that aims to build a house cheaply and quickly and the financial tools to allow people to buy a house, but it's not working.

This is because at each stage of this process we have competing and financially self-interested parties along a chain from the developer's acquisition of land to handing over the keys to the tenant or homeowner.

They would build a wide enough variety of homes to give people a choice between buying a home or renting one.

They would build mixed communities with no preferential treatment for those who have bought. By removing the constraint of sales rates by building homes that can be rented at scale or sold we can build more homes faster.

The homes could be on brownfield land in places that need homes now and in the future – not just the South East or where the so-called 'fundamentals' are better. These fundamentals only really translate to wealthier areas.

Here's how it works:

Tom, the speculator, is looking to achieve planning consent and wants a development that optimises land value and provides the biggest density and lowest social infrastructure requirement to give him the best multiple on his money.

Dick, the investor funding the development of homes, wants to maximise his return on capital and so is motivated to roll out a cost-optimised product and restrict the rate of construction to match demand at the price that keeps profits above their targets.

Then we have Harriet, the buy-to-let investor who buys a home and rents it out. Her natural motivation is to maximise rent and keep maintenance costs as low as possible.

In summary, each party seeks to optimise and maximise their share of the profit cake without any long-term community perspective.

It is this dysfunctional private sector system which is putting so much pressure on local authorities to provide housing because what is missing in this chain is the customer, or home buyer, who is penalised as prices are held artificially high – especially at a time when interest rates are rising.

But local authorities and the private sector can work in a new way to solve this problem by using institutional investment to fund large programmes of mixed tenure homes for everyone.

The house building world needs a financial incentive to work better together – starting with breaking down the funding silos to provide an opportunity for a new type of capital to kickstart new communities in places where they are needed.

Institutional investors would build homes to high environmental and design standards in direct consultation with local stakeholders on public sector land.

Creating value for everyone and providing homes in cities and towns that need them to take advantage of the new economy is how the system should work

The new homes built for rent would be run through a professional service run by people who understand community who will work with residents to create a place people will seek to live in and want to stay and make their long-term home. Those renting will be able to buy their own home if they wish in time.

In summary, creating value for everyone and providing homes in cities and towns that need them to take advantage of the new economy is how the system should work.

At PFP Capital we try to do this. We recycle profits 'for good' within the Places for People group to help meet social impact objectives as a social enterprise.

There are other providers of privately funded rental homes which are also keen to team up with local authorities to help ease their housing crisis – the private capital is there if only we can find ways to bring the private and public sector together to deliver these homes.

We don't need Tom, Dick and Harriet to take a slice of the profits along the way – there is an end-to-end solution, based on the successes of the highly successful new UK build-sell-rent sector, which has delivered thousands of new homes over the last decade.

Now that model can come to local authorities' rescue as well. ■

John Tatham is finance and investment director at PFP Capital

for about a fifth of the nation's greenhouse gas emissions.

For anyone interested in making progress on their housing and environmental goals, a blend of sticks and carrots is likely to be politically and publicly welcome – constraining developers to avoid demolition and incentivising owners to buy, insulate and invest in their homes.

And councils should consider lobbying to make investment in listed buildings exempt from VAT. ■

Paul Martin is former chief executive of four London boroughs – including Wandsworth LBC – an English city and the Government of Jersey



The true measure of SHDF success: method over metrics

By Neil Warburton

Metrics, targets or KPIs are unquestionably necessary and hold any organisation accountable for their performance, but there are some things that supersede an imposed number or timeline.

The recent round of the Social Housing Decarbonisation Fund (SHDF) has once again sparked debate about the rate of delivery from round one, specifically on the need for extended deadlines and how we are going to fall short of hitting those net zero by 2050 targets.

The SHDF was a 10-year government pledge to retrofit social housing, minimise fuel poverty and cut carbon emissions. Social landlords jumped at the opportunity to decarbonise and overhaul their housing stock and delivery partners were primed to take on the challenge of delivering viable roadmaps and implementing the necessary measures.

Unfortunately, the main gauge of success is derived from the number of homes that have successfully had work completed using the fund as opposed to looking at the true targets. We could install any number of measures on any given property and take a one size fits all approach, completing thousands of properties in a tight timescale, but ultimately do little in the way of saving on fuel bills, cutting emissions, and improving lives.

Every home is different – from its building structure to its use as a home – and the PAS:2035 energy efficiency retrofit standard insists every home is assessed individually. There is not ‘a one design fits all’ when it comes to retrofit, and it’s important to recognise even approved construction drawings/designs may not quite work when retrofitting, especially considering the interface with neighbouring properties. It is imperative to work closely with the key competent roles to discuss solutions without compromising the proposed energy efficiency of the measures being installed.



(above) Before image from a programme of works to decarbonise 132 properties in Runcorn; (below) completed works set to benefit residents for the long-term.

Equans, in collaboration with Onward, is undertaking a programme of key decarbonisation and regeneration works across 132 properties in Murdishaw, Runcorn. The project is part-funded by the Liverpool City Region Combined Authority through BEIS’s Social Housing Decarbonisation Fund.

The scheme is taking a ‘fabric-first’ approach to decarbonising the properties, including external wall insulation, ventilation, replacement

roofing, windows and doors and pre- and post-energy monitoring. Residents will benefit from increased thermal comfort during what is a turbulent time with the cost of living. More than £6m of investment will be made in the area on regeneration works.

There is not ‘a one design fits all’ when it comes to retrofit, and it’s important to recognise even approved construction drawings/designs may not quite work when retrofitting

For context, Equans has been working with Onward in Murdishaw since 2021, undertaking property surveys, gathering retrofit data and carrying out energy assessments, ensuring the works will be completed to PAS2030/2035 specification. Equans’ specialist sustainability team has provided expertise, supporting Onward with a full turnkey solution and one that will thrive. Modelling shows that the work will save 9,108 tonnes of CO₂ over the next 30 years.

Onward and Equans worked together in partnership throughout this programme of works to agree the scope of the scheme, maximising the benefits for residents and ensuring value for

money. This is also extremely important during current market conditions where prices are constantly fluctuating.

Moving forward, completing even more monitoring of the stock will provide a better understanding of what the best solutions are, along with any challenges that might occur throughout the works.

A major positive to this scheme was early engagement with the residents and collaboration with Onward. The extensive planning stage allowed us time to establish a presence on site and develop a resident microsite along with early rapport with people in the comfort of their own living environment before works began.

So, while there are some hold ups on hitting targets focused on quantity over long-term effectiveness, we cannot underestimate how imperative SHDF has been to decarbonising not just the built environment; but establishing PAS standards and prioritising those that need it most.

The latest round of SHDF has seen yet more significant plans put in place to hit the targets we really need to address: fuel poverty and reducing carbon emissions. We must remember this is a new fund in its infancy. We have to continue tracking progress, be flexible with targets and share best practice across the industry if we are to see a true SHDF success story. ■

Neil Warburton is refurbishment director for Equans UK & Ireland

