Homes &
Communities
Agency

The Homes & Communities Agency

Local Regeneration and Economic Development: Delivering in Tougher Times

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Our Vision

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To create opportunity:

- For people to live in homes they can afford in places they want to live
- For local authorities and communities to deliver the ambition they have for their own areas

A national agency that works locally

What we do

- Growth
- Affordability
- Renewal
- Sustainability

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HCA's Strategic objectives

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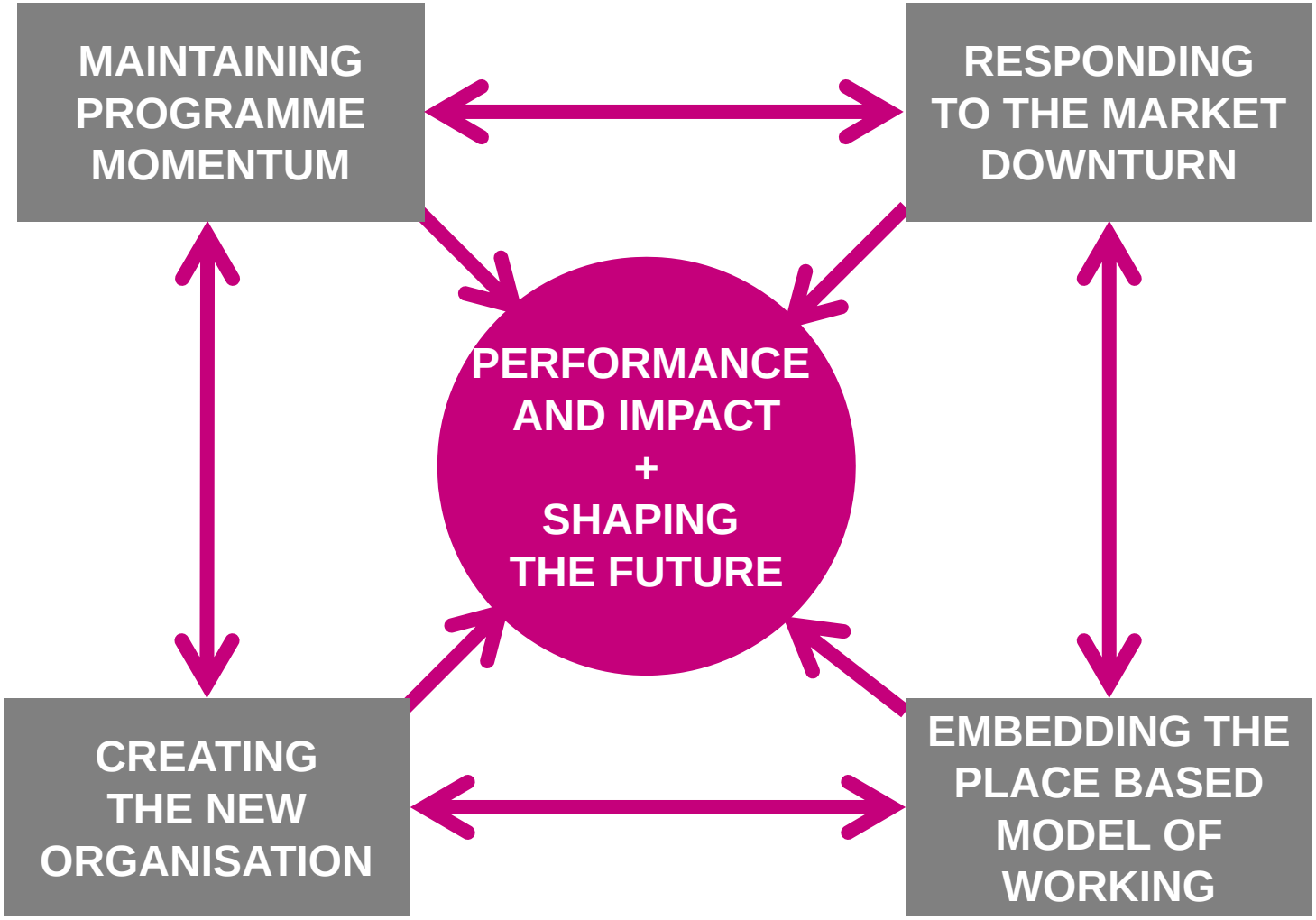
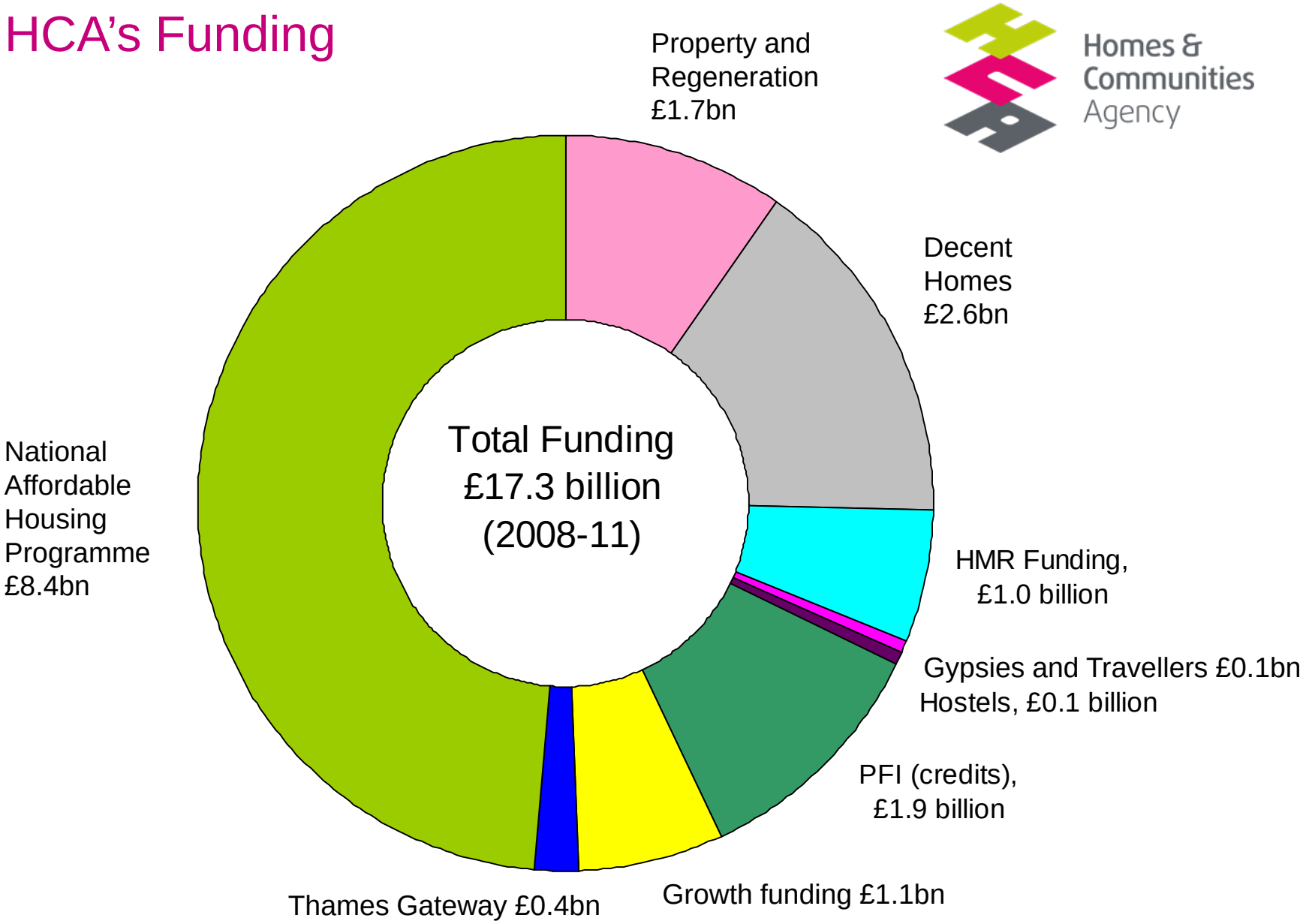
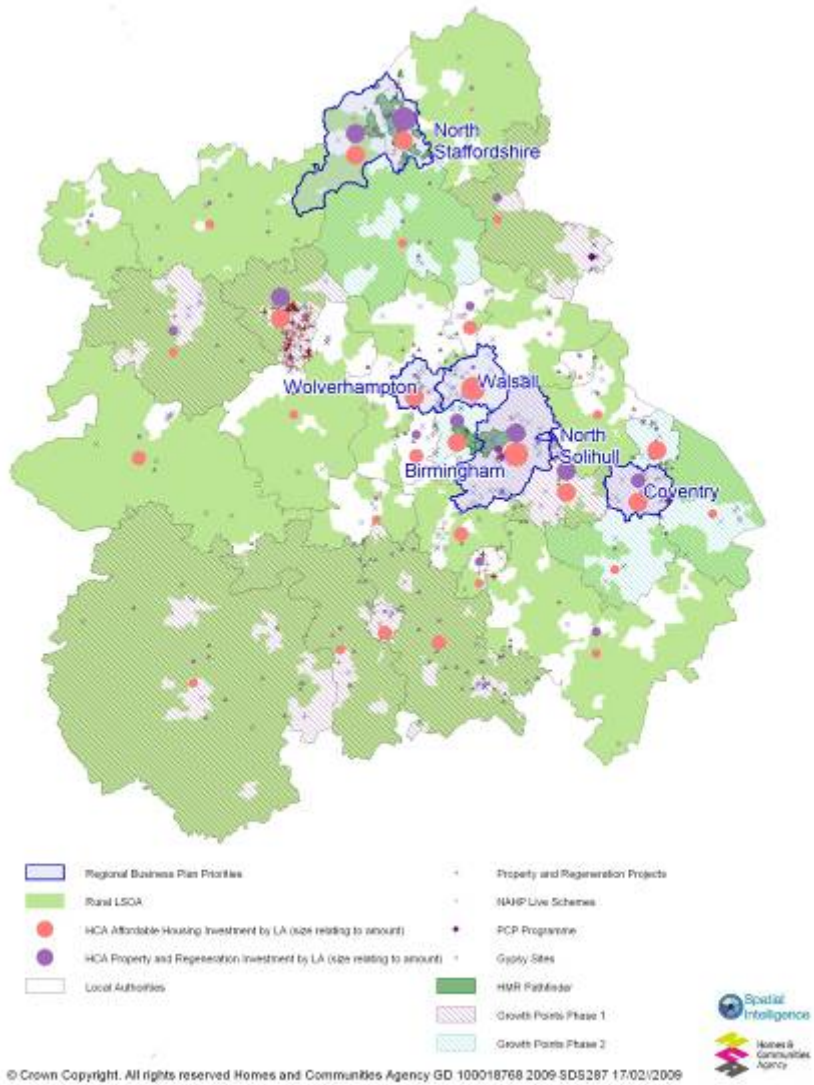


HCA's Funding



Embedding the place-based model of working



- Half of the areas in each region and at least two LIAs in each region by March 2010
- Regional business planning
- Engagement with regional Ministers and GOs
- Close working with RDAs, Local Authorities and other partners
- Guidance issued in May
- Engagement with City Regions

Responding to the market downturn: Recent initiatives

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- £1.2bn brought forward to invest in housing and regeneration
- Flexible grant rates
- Tailored packages for individual housing associations
- Clearing House
- Homebuy Direct
- Mortgage rescue
- Harnessing HCA land to facilitate affordable housing

Responding to the market downturn – the Budget Package

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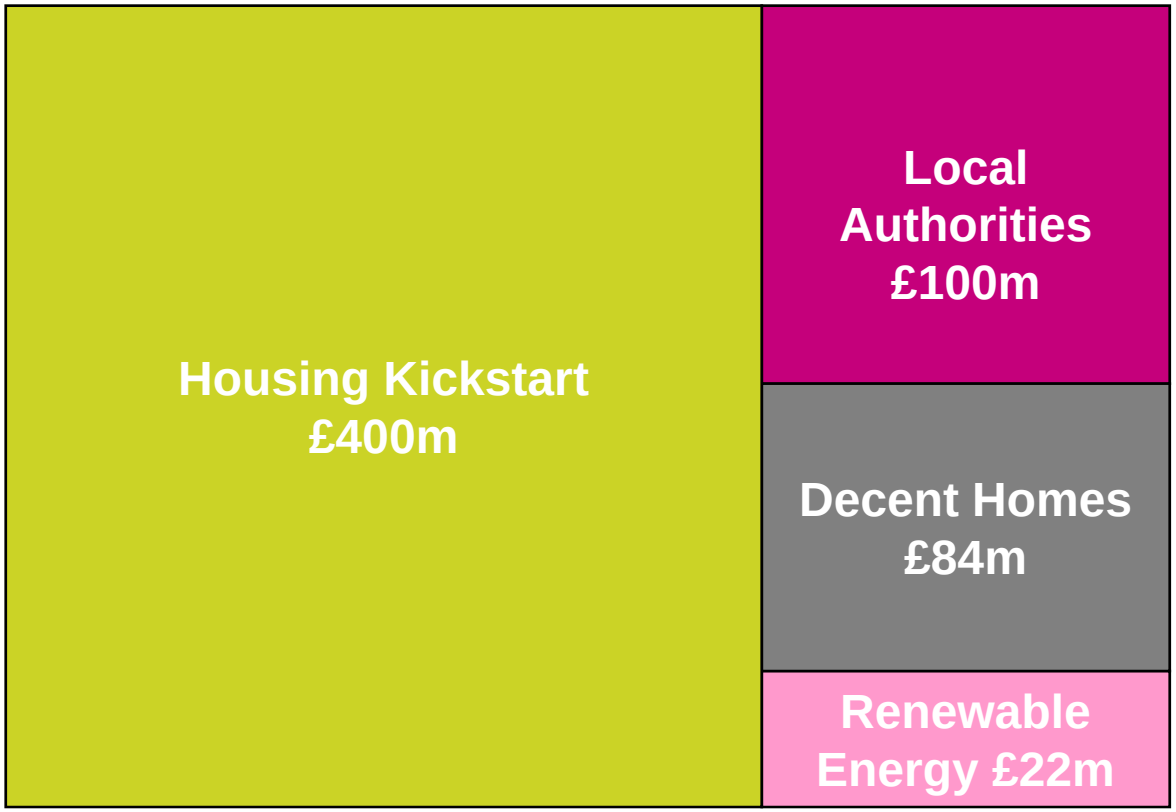

Responding to the Market Downturn: what the Agency is exploring

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- The funding of infrastructure and upfront costs on an equity basis
- Changing the mix of tenures
- The case for land purchase
- The potential to access new sources of finance
- Private Rented Sector Fund

Market downturn: Impact on regeneration

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- Stalled projects
- Impact on town and city centres
- Impact on communities
- Falling demand across housing, retail, office
- Significant upfront costs
- Challenge for deliverers
- Does our old model for regeneration still work?

Keeping Regeneration going: Our response

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- Thorough review of priority regeneration schemes
- Identifying the challenges for deliverers
- Different stages reached
- Identifying schemes that can progress with additional support in next two to three years
- Continuous review of all schemes ongoing

Keeping Regeneration going: Our response (2)

Identifying projects that are:

- Reshaping places
- Catalysts for change
- Delivering exemplary urban design
- Delivering innovation

Keeping Regeneration going: Our response (3)

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- We will be examining:
  - Total levels of investment
  - A more upfront role in masterplanning and delivery
  - Phasing of investment
  - The make-up of schemes
  - Assumptions relating to land values and up front receipts

Keeping Regeneration going: Examples of innovation

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- **Up2U proposal for London** – work with London and Quadrant to unlock larger S106 sites by substituting the sale element with the HCA intermediate rent/rent to buy option whilst allowing an applicant to buy outright if financially able

- **Park Hill, Sheffield** - The HCA has agreed to change the nature and timing of its £18m investment, in partnership with Sheffield City Council and Urban Splash, in order to ensure development momentum on this key regeneration project

- **Bedford** - The HCA is proposing to provide Bellway with £6m upfront for infrastructure to access the site, on condition that the developer uses the £6m to discount the sale prices of 100 additional open market units thereby releasing a 970 new home scheme and providing hundreds of jobs in the construction industry, the supply chain and associated professions

- **MKP Affordable Housing Portfolio** (cross-programme working) - inviting proposals for housing development on six HCA sites (200 homes, with a focus on family homes and mainly social rented) with bids assessed on quality, sustainability and level of SHG required

Shaping the Future – Housing

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- More choice of tenure
- Greener homes
- New methods of construction
- More emphasis on existing stock
- Increased role for the public sector

Shaping the Future – Beyond Housing

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- Increasing emphasis on wider economic and social benefits:
  - Employment and skills
  - Reshaping places
  - Homes *and* Communities
  - Quality of place

Conclusion

We will need:

- Funding flexibility
- Increasingly sophisticated approach
- Innovation and co-operation with our existing partners and new
- Commitment to deliver on inherently difficult schemes

In order to keep delivery going and retain capacity for the future

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