Homes for all
Putting council housing at the heart of the local recovery
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Methodology
This report is based on a series of interviews and roundtables with architects, planners and local government officials conducted during 2019 and 2020. We would like to thank all of those who took the time to answer our questions and contribute their experience.
Daniel Stern & Andrew Forth

Front cover image © Tim Crocker
In recent years, England’s housing market has failed to deliver high quality, safe housing at scale. Architects have been mostly side-lined from large scale housing projects and trust in developers is close to rock bottom.¹

Local authorities are well placed to take a different approach, putting quality at the heart of housebuilding and tackling the acute shortage of social housing. Some have already started on that journey. The emerging evidence about the impacts of poor housing and wider inequalities on the spread and severity of Covid-19 cannot be ignored. Investing in social housing is not just an investment in the health of our people, it makes economic sense. If we want to “level-up” the forgotten parts of our country, few investments offer such wide-ranging and substantial returns.

The intention of this research is to take a detailed look at the early outputs from the latest period of council house building to establish a blueprint for how the public sector can begin building quality housing at scale.

Change will not be easy – it requires reforms across the board. From the Treasury to the Ministry of Housing and Local Government (MHCLG), Homes England to local government, we need the right structures and regulation in place to drive a quality-led approach among public sector housebuilders and within the construction sector. The research and conclusions drawn in this report are not just relevant to local authorities. I encourage all developers to adopt a longer-term outlook when seeking return on investment in housing as a way of beginning to repair public perception of the housing sector.

It was an honour to award the RIBA Stirling Prize to the team at Mikhail Riches, Cathy Hawley and Norwich City Council for their exemplary work at Goldsmith Street. Designed by talented architects, built to the highest quality and environmental standards and supported by a passionate client and community, it is something that has the potential to catalyse progress across the country. As local authorities begin ramping up their delivery capabilities, I hope this report helps policy makers and industry to understand the challenges and opportunities for those that are already building and motivates others to get going.

Professor Alan M Jones
RIBA President
Executive Summary

“We were working then not to do social housing but to do housing. Not to do a site, but to work on the idea of a piece of city to revitalise and work with the society that was there.”

Neave Brown,
RIBA Gold Medal Winner 2018
The public sector is already playing a growing role in tackling the housing crisis

England may be on the cusp of a new era of public sector housebuilding. For the first time in decades, councils looking to build new homes have funds available and a favourable political climate.

In Section 1, we examine why housing output continues to fall far below the government’s 300,000 a year target and explain why too many of those new homes don’t meet the quality, safety or sustainability targets that they need to. We believe that the evidence points to a broken housing market: fighting the climate emergency, tackling the housing crisis and ensuring that people are safe in their own homes will not happen unless we acknowledge that business as usual won’t work.

We believe the solutions are clear as we set out in Section 2: councils need to get building again and do so in a way that raises standards of design, quality and sustainability across the built environment. We examine the current state of play; exploring the challenges and opportunities that have faced those that have already begun building and using the early successes in this new period of council house building to establish a blueprint for how the public sector can build quality housing at scale.

Section 3 looks at the impacts and possible solutions to the problem of poor procurement practices. We set out why we believe that good procurement will play a major role in improving the quality of new homes and why the public sector needs to recognise that they have a bigger role to play in driving quality, safety and sustainability.

At a time when public recognition of the importance of long-term sustainability is growing, the lack of progress in addressing the impact of our homes on the environment stands out as an embarrassing collective failure. Section 4 profiles local authorities who are leading the way when it comes to raising sustainability standards in housing – and identifies the long-term benefits that a more joined-up approach to value-for-money can bring.

Finally, in Section 5, we address the barriers to speeding up the delivery of new council housing. It is almost 40 years since local councils made a significant contribution to the number of new homes built. While some of the financial and legal barriers to development have been removed, the lack of autonomy granted to local government remains a major challenge. From a lack of powers to raise or borrow money to continued cuts in central funding, we cannot expect local government to rise to the challenge without a recognition from Whitehall that change is necessary.
Recommendations

Government should lead by example: setting higher standards, investing in the built environment and driving reform of the construction industry. The RIBA’s recommendations to Government cover the financing, procurement and oversight of new social housing and identify who we believed is best placed to drive changes. As our report makes clear, addressing the challenges that currently exist will help ensure good design, high quality and long-term value for money.

**THE RIBA RECOMMENDS THAT THE TREASURY:**

- Remove borrowing and spending restrictions on local authorities to enable greater investment in social housing.
- Progressively increase grant funding for new social housing to help lower long-term housing support costs.
- Make Post Occupation Evaluation mandatory for all projects that receive public funding.
- Remove the legal requirement for public sector bodies to dispose of land ‘for best consideration’ and consult on a replacement which more closely aligns to social value, sustainability and housing delivery goals.

**THE RIBA RECOMMENDS THAT MHCLG:**

Provide local authorities with the freedom to set their own planning fees to ensure they can adequately invest in resourcing to cover development management responsibilities.

- Engage local authority legal, finance and procurement teams to improve understanding of the value for money benefits of investing in quality.

**THE RIBA RECOMMENDS THAT HOMES ENGLAND:**

- Explore innovative solutions to meeting the capacity shortages within local government planning teams, including funding Public Practice to expand its work beyond London and the South East.
- Give greater value to quality in funding programmes, including considering uplifts in funding where local authorities are exploring innovative approaches to design and sustainability.

**THE RIBA RECOMMENDS THAT LOCAL AUTHORITIES:**

- Adopt a strong client role in their affordable housing delivery programmes to ensure that there is adequate oversight of how quality will be maintained throughout projects.
- Ensure that design quality is protected through the procurement process by requiring commitments to be made by applicants on the retention of project teams throughout the construction process.
- Recognise and prioritise the importance of having in-house design expertise to securing quality outcomes when delivering social housing projects.
- Adopt low carbon environmental standards in their affordable housing delivery programmes, recognising the long-term value return and benefits to tenants through tackling fuel poverty.

**THE RIBA RECOMMENDS THAT THE HOUSING SECTOR WORKS WITH GOVERNMENT TO:**

- Establish an agreed definition for post occupancy evaluation to give all developers certainty when including requirements within their contracts.
England faces a significant housing crisis. The first municipal housing was driven by a recognition that poor housing was a public health emergency. Today’s policy makers face a much broader set of challenges: from those in urgent need of a roof over their heads to people stuck in homes that are no longer suitable for their circumstances. Housing policy and funding has failed to meet the changing needs of our society – a fact that was cruelly highlighted by the devastating impact of Covid-19.
The UK has never met current demand for new homes without significant public sector delivery

From urban estates to rural cottages, council housing has shaped every part of the country. The Housing of the Working Classes Act in 1885, granted local government bodies powers to inspect, condemn and order improvements to housing. Driven by popular revulsion about the living conditions of the urban poor, five years later, Parliament went a step further, permitting the seizure of land and allowing the public sector to support the delivery of new homes.

Within a generation, recognition that the state needed to play a meaningful role in the delivery of housing was enshrined in law.

The Addison Act of 1919 recognised housing as an issue of national importance and provided funds for the construction of public sector housing across the country. 5.5 million council homes have been built in this country since 1919. In 1953, under Harold Macmillan’s tenure as Housing Minister, local authorities reached a peak of 198,000 homes, or 75% of homes built that year. 15 years later, at the peak of the country’s housebuilding boom in 1968, the country was building over 350,000 new homes a year, with over 140,000 of these delivered by local authorities.

The retreat of the state from direct responsibility for the delivery of housing has had disastrous consequences: 200,000 homeless people live in temporary accommodation, 1.2 million households are on waiting lists for social housing, and for those looking to buy, house prices in England have increased at seven times the rate of family incomes since 1995. These factors explain why there is a cross-party recognition that the housing crisis requires more than just tinkering around the edges.

Investing in the future rather than spending money to meet short-term need

Government funding for building affordable housing drastically decreased over the past decade from 50% of the cost of building a home before the financial crash to 12% today. While this has helped improve the balance sheet in the short-term, in the long-term, the costs will likely outweigh savings. 1.06% of UK GDP was spent on subsidising housing in 2018, far higher than the comparable figure in other developed countries. The increasing shortage of affordable housing has left many people relying on government support. At £22 billion a year, the cost of housing benefit alone is

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**Chart 1:** Chart showing relationship between housebuilding and average house prices. Source: MHCLG, Nationwide, HM Treasury, Shelter analysis

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greater than the combined spend on policing and international development and it has doubled since the early 2000s. Despite this increase, recipients are finding that the money they receive increasingly fails to cover the cost of housing. Part of the problem is that rather than funding new homes, an increasing percentage of housing support is going to private landlords — around £9 billion in 2018, twice as much as a decade earlier. From a public policy perspective it is a disaster — we are spending more, getting less and still failing to meet demand.

With Covid-19 placing an unprecedented strain on the economy and the public finances, the time has come for action. We need to ensure that public funding is directed towards structural reforms of the economy and society: building back better, rather than just underpinning the current dysfunctional system.

Getting homes built requires more than just money

The relaxation of the Housing Revenue Account borrowing cap in 2018 is a significant milestone, allowing local authorities to borrow to build. While the forecasts for how many homes this will help build are modest — the government estimated it could allow for up to an additional 10,000 homes a year, the Office for Budgetary Responsibility predicted 20,000 total new homes up by 2023-24 — the political message was clear: the current model isn’t working.

Future council housing developments must reflect lessons learned from existing schemes

In the minds of many, the council housebuilding era of the 60s and 70s is now associated with the high-profile failures of the ‘system building’ approach that emerged at the time. These were problems that, in part, stemmed from councils becoming too focused on speed and units. Disasters like the tragic building collapse at Ronan Point in Newham in 1968, and the forced abandonment of Hulme Crescents in Manchester less than 10 years after the completion of the project have given council housebuilding a lasting legacy that has been hard to shake and continues to colour the debate today. The reality is that much of the council housing built in the era was high quality and continues to stand the test of time, providing people with safe, secure homes built to a high standard.

We don’t have to accept the status-quo: good design doesn’t cost the earth

A revival of public sector led housebuilding is an opportunity to address one of the other systemic problems that ails the housing market: the current housebuilding environment in England does not demand good design. There is a strong argument that the problem goes further and that the rules of the current system actively discriminate against the quality, safety and sustainability of new homes. In the rush to make it easier to build, recent governments have agreed to relax quality, safety and sustainability standards under pressure from the housebuilders. The results have been predictable: while profits, bonuses and dividends have risen at the large housebuilding companies, outputs have become less innovative while quality remains poor. 99% of the buyers of new homes reported quality problems in 2018. It does not have to be this way. With the ability to look to the long-term, local authorities have the opportunity to ask for more than the market currently offers. A notable feature of many of the schemes featured in this report is the significant degree to which they exceed the environmental, quality and design standards of private developers.

99% of the buyers of new homes reported quality problems in 2018
The new generation of council homes

House building by the public sector has made a comeback in recent years and while some of the financial barriers have been eased, a lack of resources in local government continues to be the biggest barrier to investment. Despite these challenges, the early signs are positive. New schemes are springing up across the country, demonstrating how new housing can improve the quality of life for residents and those who live and work in the surrounding area.
| Councils are already leading by example |

Research by the Royal Town Planning Institute (RTPI) found that local authorities delivered 13,000 new homes in 2018, the highest level since 1990\(^4\). At the moment, most of this development is financed using housing-related income streams such as Housing Revenue Account (HRA), right to buy receipts and regeneration of existing estates. Others have chosen to partner with private developers or housing associations, while some have gone further and set up housing companies\(^5\) like Brick by Brick, which is wholly owned by Croydon Council.

The HRA is a ring-fenced account held by stock owning authorities that can only be reinvested in maintenance works and building housing. Many local authorities no longer have HRAs since the UK Government began encouraging stock transfers in 1988, a policy that was supported by successive governments into the 21st century\(^6\).

Housing companies have increasingly emerged since the 2011 Localism Act provided local authorities with new trading powers. These companies will usually be wholly owned by the council but are separate from it so are not bound by all the same rules, such as Right to Buy.

As the number of new council homes has increased in recent years, we can now look to examples of local authority delivery to draw conclusions as to how quality placemaking is being delivered. In this report, we have chosen to align our examples with the characteristics central to successful placemaking set out in the recent MHCLG National Design Guide.\(^7\)

The 10 characteristics are listed out in this report alongside examples of how local authorities have been able to innovatively meet these challenges.

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13,000 new homes delivered by local authorities in 2018
Context

Context is the location of the development and the attributes of its immediate, local and regional surroundings.

An understanding of the context, history and the cultural characteristics of a site, neighbourhood and region influences the location, siting and design of new developments. It means they are well grounded in their locality and more likely to be acceptable to existing communities. Creating a positive sense of place helps to foster a sense of belonging and contributes to well-being, inclusion and community cohesion.

The Bourne Estate – Camden

Developer – Camden Council
Architect – Matthew Lloyd Architects
Contractor – Higgins Construction PLC
Procurement route – Design Competition
Tenure: 45% social rent, 43% private and 12% shared-ownership

The National Design Guide makes clear that development should take account the surrounding context of a site and contribute positively to local heritage. The redevelopment of the Bourne Estate in Camden saw the creation of two new blocks in a form and scale that was in keeping with the original Grade II listed estate layout. A multi-use games area was also relocated, and a tenant's resident association hall built at the ground floor of one of the new blocks. The new block was in a form and position that sought to complete the original 1905 layout of the estate, ensuring it reflected the site's history. Estate regeneration has a controversial history, in some cases prompting anger over lack of consultation with communities, or residents being displaced. The Bourne Estate has been praised for the level of community engagement and the quality of the end result. The development provides 75 new residential units in a mix of tenures and was delivered alongside significant improvements to public spaces in the community. Community consultation was at the heart of the development process and all residents were offered a chance to move back once the development was complete.

The Bourne Estate was procured via a design competition, with consultants invited to submit their initial design proposals for the site at the tendering stage. In winning a RIBA London Award in 2018, the project was commended for the quality of materials and the finish on the new blocks. The Bourne Estate was procured via a design competition, with consultants invited to submit their initial design proposals for the site at the tendering stage. In winning a RIBA London Award in 2018, the project was commended for the quality of materials and the finish on the new blocks.

The jury of the Camden Design Awards noted that “both blocks are a highly intelligent and mature response to the existing Edwardian architecture, with a generosity in the detailing of the communal entrances that is equivalent to the Edwardian spaces and will last 100 years. It is civic in a way that shows respect for the ideology of that time. Window seats in entrance halls create moments of sociability and short, wide deck access breeds community and keeps circulation open to the elements. These modern buildings enrich rather than dilute the strong existing character of the Estate.”

Strong political support from Camden councillors for building good quality housing, rather than pursuing an approach that puts numbers above all else, has been critical. Where many authorities have been forced to make cuts to their urban design teams stretching back many years, Camden has managed to retain a 10 strong place shaping team. This enables them to take on a strong client role when it comes to design quality which helps avoid the pitfalls that can lead to quality leaking out of a project.

The urban design experience within the borough enables them to specify very clearly what they expect in terms of quality via the procurement process, leaving little space for negotiation and ensuring that contractors deliver what is expected. Camden also has a design officer who works closely with the project team delivering their housing projects, and who sits as part of the borough's design review panel, providing expert oversight over schemes.
A good design team is a small percentage of the cost of the project and drives overall quality that has long-term savings. A really good architect can also generate value. It’s not necessarily quantifiable without understanding the specifics of a project, for example, they might find you extra units by being clever with layouts. If you skimp, you might not get someone with the same ability and then you won’t get that added value.

Neil Vokes, Director of Development, Camden Council

During its time as a developer Camden has learnt some important lessons about the post-construction of its housing projects. They have developed an aftercare team that works through the design, development and handover of projects to ensure a smooth transition with tenants moving in. The council has had to adapt to the differences between being a manager of both private and social housing, which has different requirements.

Camden has also begun undertaking post-occupancy evaluation (POE) for its Agar Grove scheme and is now looking to develop POE for their whole Community Investment Programme projects. As well as understanding energy use in homes, they are particularly interested in understanding satisfaction levels among residents to help set targets for future projects. This is also helping to feed information back into other schemes to help learn lessons for the future.
Goldsmith Street

Developer  – Norwich City Council
Architect  – Mikhail Riches with Cathy Hawley
Contractor  – RG Carter
Procurement route  – Traditional
Tenure: 100% Social rent

In 2019 Goldsmith Street became the first social housing project to win the Stirling Prize, the UK’s top prize for architecture. Made up of 105 units for social rent, the architects embarked on the project with the aim of creating a sustainable community. All of the units are designed to Passivhaus standards—rigorous international benchmark by which energy use is reduced through a detailed approach to design and construction—lowering energy bills for occupants. Where the requirements to reach Passivhaus standards in Goldsmith Street conflicted with the traditional Georgian/Victorian terrace identity being sought for the development, the architects made adjustments to the design that maintained the character of the scheme while adhering to the highest levels of sustainability. The ‘back street’ has gardens and a pathway down the centre that has been fully landscaped so that children have somewhere to play safely.

The continued involvement of the architect right through the delivery of the project has resulted in a social housing development with a distinctive identity that is attractive for residents and passers-by alike, while recognising the existing context of the site and wider area.

The process followed was initially shaped by the political drive among Norwich councillors to build to Passivhaus standard. That required a degree of certainty over the construction that led to Mikhail Riches proposing to switch from a Design and Build to a traditional contract, with the architects acting as the administrator. This has become very uncommon on large housing projects procured by the public sector, but it was crucial to the quality outcomes on the project. Concern over cost is likely a reason as to why traditional contracts are rarely pursued for larger housing projects, though Goldsmith Street was delivered on budget.

Mikhail Riches worked closely with the council to appoint the rest of the consultant team. This was early enough to ensure that the design also had necessary input from other key professions, such as engineers, from the initial design stage. In some cases, local authorities have been reported to be reluctant to appoint the rest of the consultant team at an early enough stage, meaning that design does not receive the necessary oversight which can lead to a need for revisions at a later stage.

The project was also procured via an RIBA design competition and RIBA contracts were used, which helped to ensure that quality was prioritised. This also meant that Mikhail Riches were responsible for the value engineering on the project, giving more protection over quality than if the process had been managed by a contractor. While the architect’s price for the work was submitted as part of the competition process, it did not form part of the marking—however, there was a benchmark figure that submissions would be discounted if they were above. This avoided a situation where the high weighting of price encourages architects to outcompete each other with unrealistically low bids, which are not consistent with being able to deliver the quality that the client hopes to achieve.

This is an issue common across the entire construction industry, where clients overvalue price rather than long-term value and, in response, consultants under-price their proposals to win work. This has ultimately created an unsustainable environment in the construction industry, with many high-profile examples of contractors falling into financial difficulties and clients regularly not receiving the quality of service they expect.

Founding Director of Mikhail Riches, David Mikhail is clear on how a focus on lowest up-front price impacts on quality. The practice has said that it will generally avoid bidding for any work in which the tender values cost above 30% of award.

Identity

The identity or character of a place comes from the way that buildings, streets and spaces, landscape and infrastructure combine together and how people experience them. It is not just about the buildings or how a place looks, but how it engages with all of the senses. Local character makes places distinctive. Well-designed, sustainable places with a strong identity give their users, occupiers and owners a sense of pride, helping to create and sustain communities and neighbourhoods.

Page 14, National Design Guide
criteria on the grounds that it makes delivering a quality project that achieves long-term value very difficult.

Another of the key factors in the success of Goldsmith Street was the consistency of the personnel from the client side. The project manager remained the same from procurement stage through to completion of the project and had the mechanism to make quick decisions with senior officers under delegated authority that the architects had confidence would be stuck to. This agility was a huge benefit to project outcomes, which was enabled by having political buy-in from the initial concept stages.
The Echoes – Thurrock

**Developer** – Thurrock Council  
**Architect** – Bell Phillips Architects  
**Contractor** – Willmott Dixon  
**Tenure:** 100% Social rent

The Echoes was the first development in an ambitious housebuilding programme by Thurrock Council. There was close collaboration between the local authority and the architect from the beginning of the project which was central to delivering a bold architectural response to a constrained site.

Built on a former car park, the development is close to the town centre and within comfortable walking distance of Grays Railway Station ensuring a sustainable and accessible development. The profile of the roof varies along the length of the street creating a strong street presence but ensuring that the tallest parts of the development back onto the bordering railway line to avoid any sense of overbearing at street level.

Careful attention has been paid to the detailing of the brickwork to ensure high build quality. Distinctive triangular balconies help to give the buildings a unique identity while providing views for residents out over the Thames. The development has a community garden at its heart accessible to all residents, as well as a new community centre for the local area, which helps to promote inclusion and cohesion among residents both within the development and the wider community.

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*Built form*

Built form is the three-dimensional pattern or arrangement of development blocks, streets, buildings and open spaces. It is the interrelationship between all these elements that creates an attractive place to live, work and visit, rather than their individual characteristics. Together they create the built environment and contribute to its character and sense of place.

It is relevant to city and town centres, suburbs, villages and rural settlements. It creates a coherent framework that forms a basis for the design of individual developments within a place.

*Page 18, National Design Guide*
Movement

Patterns of movement for people are integral to well-designed places. They include walking and cycling, access to facilities, employment and servicing, parking and the convenience of public transport. They contribute to making high quality places for people to enjoy. They also form a crucial component of urban character. Their success is measured by how they contribute to the quality and character of the place, not only how well they function.

Successful development depends upon a movement network that makes connections to destinations, places and communities, both within the site and beyond its boundaries.

Lenton Green

Developer – Nottingham City Homes (Nottingham City Council) and Keepmoat
Architect – JTP
Contractor – Keepmoat

Lenton Green was completed in 2018 by Nottingham City Council’s arms’ length management organisation (ALMO) Nottingham City Homes. The project replaced five high rise towers with 142 high quality council homes and new green public space. The aim was to improve the quality of housing on the site and rebalance the types of homes in the neighbourhood, which was previously dominated by student housing, to create a more mixed community. Where the previous housing had become expensive to heat and maintain, all homes in the new scheme meet Code for Sustainable Homes Level 4 and the mix of housing includes flats and bungalows for older residents.

Nottingham City Homes took the opportunity to improve the north/south and east/west connections through the site. A green corridor was created through the centre of the site to reconnect it to the surrounding area, along with the creation of new routes for pedestrians and cyclists.

The detailing of the design reflects local architecture as well as the city’s industrial heritage. The local community was closely involved through the design process for the site. This included elderly residents working directly with the architectural team to co-design their new homes within a new independent living scheme.
Nature contributes to the quality of a place, and to people’s quality of life, and it is a critical component of well designed places. Natural features are integrated into well designed development. They include natural and designed landscapes, high quality public open spaces, street trees, and other trees, grass, planting and water.

Page 26, National Design Guide

Ely Court

Developer – London Borough of Brent and Catalyst Housing Group
Architect – Alison Brooks Architects
Contractor – Willmott Dixon
Tenure: 60% market rent and 40% social rent

Ely Court is a 44-dwelling mixed-tenure scheme developed as part of the first phase of the South Kilburn Estate Regeneration masterplan overseen by Brent Council and Catalyst Housing Group. It was completed as part of a joint masterplan with a neighbouring site to the north east. Ely Court has re-established a mews street which draws people into an area that was previously closed off and under-used. It provides new play space and creates connections between newly established garden squares. The homes are designed to high-quality standards in space and light, generally exceeding the London space standards, with high ceilings and large windows.

The wider South Kilburn masterplan will be developed by a selection of different developers, with the final phase of the ambitious project not due to be complete until 2029. The proposals will deliver a new high-quality urban park with a variety of green space provision varying from biodiverse parkland, child play space through to sports and recreation space. Across the wider site there will also be landscaped streets and a series of pocket parks.

In their entirety, the plans include improved public realm throughout the site, a new primary school and health facilities, and new retail space. The council held a residents’ ballot in autumn 2019 to ensure that the project maintained local support, receiving 84% support among residents on an impressive 72% turnout.
Public Spaces

The quality of the spaces between buildings is as important as the buildings themselves. Public spaces are streets, squares, and other spaces that are open to all. They are the setting for most movement. The design of a public space encompasses its siting and integration into the wider network of routes as well as its various elements. These include areas allocated to different users – cars, cyclists and pedestrians – for different purposes such as movement or parking, hard and soft surfaces, street furniture, lighting, signage and public art.

Dujardin Mews

**Developer** – London Borough of Enfield
**Architect** – Karakusevic Carson with Maccreanor Lavington
**Contractor** – Durkan
**Tenure:** 50% social rent and 50% intermediate

Dujardin Mews consists of 38 homes in Ponders End in the London Borough of Enfield, and was the first social housing to be built directly by the council in 40 years. The development creates new public spaces and a landscaped route through the site, as well as providing areas for social activities. There is also community space to north of the site including a new play area and seating for residents.

The project manages to maximise the use of the site while maintaining the highest quality, creating an exemplar for housing in the borough. Each home has a generous amount of internal space, high levels of natural light and ventilation, enabling residents to live comfortably and safely in their day to day activities. The use of high-quality brick and intelligent planning for bikes and bins on a narrow site keeps the street orderly and maintains a sense of community, while respecting the local townscape. The involvement of different architectural practices ensures variety across the site, with a mix of family houses, maisonettes and apartments.

The scheme is the first phase of the wider masterplan to regenerate the Alma Estate in Enfield, aiming to deliver a total of 1,000 new homes, with new community facilities and public open spaces, reintegrating the estate with the surrounding neighbourhood. The wider regeneration of the estate is a joint venture between Enfield Council and Countryside that aims to create a stronger and more inclusive community on the site of the original post-war estate.
**Uses**

Sustainable places include a mix of uses that support everyday activities, including to live, work and play.

Well-designed neighbourhoods need to include an integrated mix of tenures and housing types that reflect local housing need and market demand. They are designed to be inclusive and to meet the changing needs of people of different ages and abilities. New development reinforces existing places by enhancing local transport, facilities and community services, and maximising their potential use.

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**Kylna Court**

**Developer** – Dacorum Borough Council  
**Architect** – rg+p  
**Contractor** – Jarvis  
**Tenure:** 100% Social rent

Kylna Court is Dacorum Borough Council’s flagship regeneration scheme. The development has regenerated a disused, brownfield site into 79 one and two bedroom apartments for social rent with eight business units on the ground floor. The housing replaced a light industrial and office building, with the new development re-providing employment space, demonstrating a recognition of the importance of mixed-use development. The ground floor is home to a business suite, providing incubation units for start-up businesses, with a mix of office space and shared meeting rooms. It has proven very popular, with all eight units reserved prior to completion and now fully occupied. It has also created one full time position, a business centre manager, and of course offers the potential for further employment opportunities as businesses relocating look to grow.

Having outgrown our office at the Maylands Business Centre, we’d been looking for our next premises to enable our expansion plans. The office at Kylna Business Centre puts us in the heart of the Maylands and provides us with a fantastic space for our team that is easily accessible to meet with local candidates and businesses.

Chris Jones, director, Think Specialist Recruitment

The development is Dacorum Borough Council’s largest to date and was completed despite a number of site complexities, including access, utilities and neighbouring premises. All of the employment space is owned and operated by Dacorum Borough Council.

Kylna Court is an ambitious design despite the site having various complexities. As well as providing good quality, affordable housing for the council tenants, the scheme includes roof gardens for use by residents. It has brought together a new community, created opportunity for economic and social growth, and delivered a landmark building which provides genuinely affordable new homes. Kylna Court won the 2019 Inside Housing Development Awards Best Affordable Housing Scheme (rural or suburban) and was a finalist for 2019 National Housing Awards Best Regeneration Project.
Burbridge Close

**Developer** – BeFirst (London Borough of Barking and Dagenham)

**Architect** – Peter Barber Architects

**Tenure:** 100% Social rent

Burbridge Close was built by Barking and Dagenham’s development company BeFirst, providing six new bungalows on a small infill site previously occupied by poorly maintained garages. Often the target of break-ins, the council made an agreement with local residents that half the garages on the site would be given over for new homes if the other half were refurbished and made secure. Now the site is home to a small mews of six bungalows for over-60s.

Working within a constrained site, the architects have preserved the independence of residents while fostering community among neighbours by providing each home with its own front door and a front yard. The homes have generous internal space and the unusual wavy design of the roofline provides every home with vaulted ceilings. The design draws on the tradition of the old East End with spaces encouraging people out of their homes to chat and socialise with their neighbours.

The homes provide an innovative solution to meeting local housing need in an area where land for development is often lacking. By providing aspirational, high-quality homes for over-60s the council has also motivated the residents to move from larger social homes which can then be occupied by families that have need of more space.

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Homes & Buildings

Well-designed homes and buildings are functional, accessible and sustainable. They provide internal environments and associated external spaces that support the health and wellbeing of their users and all who experience them.

They meet the needs of a diverse range of users, taking into account factors such as the ageing population and cultural differences. They are adequate in size, fit for purpose and are adaptable to the changing needs of their occupants over time.

*Page 38, National Design Guide*
Resources

Well-designed places and buildings conserve natural resources including land, water, energy and materials. Their design responds to the impacts of climate change. It identifies measures to achieve:

- mitigation, primarily by reducing greenhouse gas emissions and minimising embodied energy; and
- adaptation to anticipated events, such as rising temperatures and the increasing risk of flooding.

Page 42, National Design Guide

Chester Long Court

**Developer** – Exeter City Council  
**Architect** – Gale & Snowden Architects Ltd  
**Contractor** – CG Fry & Son  
**Tenure:** 100% Social rent

Architecture practice Gale & Snowden (G&S) has been working in partnership with Exeter City Council since 2008, when the council was one of the first to begin developing new housing. This started with their first Passivhaus multi residential building Knights Place, designed by G&S. Since then, G&S have helped Exeter in leading the way in sustainable housing development, delivering over 100 Passivhaus homes with more in the pipeline. This ensures that the council’s new housing delivers low energy, healthy homes for residents.

Chester Long Court provides 26 high quality, affordable homes built to Lifetime Homes standards of accessibility. The homes are targeted at over-60s to provide an attractive alternative for people in their later life which will in turn free up larger council homes.

As well as meeting rigorous Passivhaus standards, the scheme incorporates Building Biology principles. Building Biology is the science of creating healthy, life enhancing buildings. The golden rule is to create an internal indoor environment as close to the natural environment as possible and considers buildings as the occupants’ third skin. The use of clay blocks in the construction means the development has an entirely natural mineral wall build-up which can be simply disposed of at the end of the building’s life. Gale & Snowden designed the project to be future climate ready using weather data from the University of Exeter.

### Resources

Well-designed places and buildings conserve natural resources including land, water, energy and materials. Their design responds to the impacts of climate change. It identifies measures to achieve:

- mitigation, primarily by reducing greenhouse gas emissions and minimising embodied energy; and
- adaptation to anticipated events, such as rising temperatures and the increasing risk of flooding.

Page 42, National Design Guide
Crown Street Regeneration

Developer – Glasgow Development Agency
Masterplanner – CZWG Architects
Procurement route – Sites allocated to house builders in competition and New Gorbals Housing Association
Tenure: Market and affordable housing

Situated within the Gorbals, a deprived area of Glasgow, the redevelopment project which includes the Crown Street development is widely seen as an exemplar of a high-quality development which has raised local standards and driven wider social benefits.

CZWG won a competition for re-planning the area (for the second time since the Second World War), employing a strategy that reversed the conventional hierarchy of grand and narrower streets and introduced oases of private communal gardens into the centre of urban blocks. Some 1,200 new residential units were proposed in addition to commercial development. Maida Vale, in London, was the inspiration for the concept, where the scale of the communal gardens are large relative to the scale of the buildings and car parking is confined to the streets, not in ‘back courts’.

For implementation an outline planning permission was gained for the streets, blocks and infrastructure with a single side of a garden being the smallest development tranche for a sole developer, Unusually the communal gardens and trees were initially planted in advance by the Development Agency to achieve early maturity.

A brief but effective design guide was drawn up to provide a detailed planning permission framework for different architects to contribute to a relatively consistent whole. This scheme has proved so successful that it is cited as an exemplar for others of its kind and has been extended across Laurieston to east and west. In addition to the much enjoyed communal gardens is a small central park space affording a delightful setting for one of Alexander “Greek” Thomson’s amazing churches.

Lifespan

Well-designed places sustain their beauty over the long term. They add to the quality of life of their users and as a result, people are more likely to care for them over their lifespan. They have an emphasis on quality and simplicity.

Page 46, National Design Guide
The examples of quality housing built by council’s highlighted in Section 2 have been achieved through a strong commitment to design principles with local authority clients that had a good working relationship with the design architects. Central to this is ensuring that when councils commission projects, they do so in a way that promotes a close, positive relationship with the design team. Too often the route followed by public procurers removes the ability to be a strong client. If councils are to ensure that they are building successful places of the future they must select a project team that fosters strong outcomes and clear lines of accountability.
Public sector procurement practices often make it hard to deliver quality and value

Frustration with public procurement practices was a common theme in our discussions with architects, local authority housing developers and contractors during the preparation of this report. Those we talked to expressed three principal areas of concern. Firstly, the lack of awareness within the public sector of the extent to which procurement decisions impact the quality of the final outcome. Secondly, the lack of effective contract management carried out by clients and finally the costs and complexity of the procurement rules and processes. Ultimately, if local government want to deliver high quality, sustainable homes this needs to be reflected in the procurement strategy. With budgets under pressure, the temptation to cut costs today at the expense of higher spending tomorrow is understandable, but too often it seems that procurement is undertaken in a way which fails to acknowledge that a trade-off is inevitable.

“Ultimately, if local government want to deliver high quality, sustainable homes this needs to be reflected in the procurement strategy.”

Effective public procurement that prioritises design outcomes is key to maximising the social, environmental and economic benefits of development.

While the public sector may have the right intentions, this is not always reflected in practice through the procurement process. In recent years, the RIBA and other organisations have highlighted examples where the stated goals of a project and the approach taken by the procurement team are at odds. For example, the restoration of a Grade II* listed subway where 60% of the weighting was given to cost considerations and more worryingly a framework which included complex restoration projects where 70% of the weighting was given to the cost of a bid. While both of these procurement teams will be able to say they have controlled the costs of works effectively, by choosing to prioritise low cost now, bidders will have little option but to use cheaper materials that may not be appropriate, require more ongoing maintenance or earlier replacement.

Perhaps unsurprisingly, poor procurement often means that councils and communities do not get the outcomes that they expect from projects. As the Building Better Building Beautiful Commission noted, the UK is not alone in using procurement rules derived from the European Procurement Directives, but our outcomes are consistently less imaginative, less sustainable and more expensive than those achieved in neighbouring countries.
If the procurement process followed is not underpinned by seeking quality, long-term outcomes, any housing project has little likelihood of securing the desired design objectives. While local authorities are well placed to accept long-term returns on development, this needs to be reflected in how value for money is assessed when commissioning developers or design teams for projects. There are examples of experienced public procuring bodies working within the current regulations to support better outcomes for society and industry. However, poor procurement practice is still all too common.

Public Sector clients have become increasingly removed from the design process

In the drive to minimise cost and risk, many public sector procurers have sought to hand off responsibility of development projects to contractors. The rise in use of Design and Build contracts in public sector procurement has personified this. Since Design and Build was acknowledged as an accepted form of procurement in 1981, it has continued to rise in popularity. A Project Compass report looking at public procurement trends published in 2014 found that over a three-year period from 2011-13, 48% of opportunities for architects in public construction procurement were contractor/developer led Design and Build contracts.

In the Design and Build procurement route, the main contractor is appointed for both the design and construction of a project. Requirements for design, planning and construction are all the responsibility of the contractor. The contractor might appoint an architect, but they are employed as a subcontractor, or they are novated from the client, meaning the client’s contract with the design consultants is transferred to the contractor. This provides the client with a layer of protection from time and cost delays, as responsibility lies with the contractor. However, it has also often created a degree of separation between the client and the design team. This differs from traditional procurement where the client directly appoints the design team to take the project through the planning process and then a contractor is appointed for construction. Research in other sectors has demonstrated the value of traditional procurement models in securing better quality outcomes when the client has a direct relationship with the design team.
Procurement has a major impact on the quality of housing

In many cases, the Design and Build route leads to the design architect being replaced by the contractor once a building has received planning permission, removing the crucial design oversite that ensures that the quality envisioned through the plans is retained through to the finished development. It has been reported that in sectors outside housing (transport, education, commercial etc.) once the project receives planning consent architects will be retained on 90% of projects to carry out the detailed design and site delivery. This compares to 30-40% in the residential sector, which would mean that the design architect is removed from the project in well over half of cases. The London Plan is specific in recognising the value of design continuity and makes recommendations as to how this can be delivered: “Securing the design team’s ongoing involvement can be achieved in a number of ways, such as through a condition of planning permission, as a design reviewer, or through an architect retention clause in a legal agreement.”

Architects appointed to carry out detailed design work once planning permission has been granted have reported being threatened with removal from the project by the contractor if they refuse to accept decisions that will diminish quality. The client is not necessarily even aware that this exchange is going on. This distance of the client from the design team means that they do not always receive what they expect. Where trade-offs are unavoidable and savings need to be made through design changes, the decision sits with the contractor. The issue is that contractors are often operating to extremely thin margins. In many cases, they are incentivised to underbid on price for tenders to win the work knowing that the profit margins are too low to be deliverable. The rationale is that savings can be found at a later stage or the council can be negotiated with once the project is underway to reduce costs of the project and make the work profitable. This enables quality to be chipped away as the project progresses. Employers Agent’s acting on behalf of local authorities provide documents through the tendering process which clients may believe help to protect quality, but often these provide the client with a false sense of security. In traditional procurement, value engineering decisions can instead be made via a discussion between the client and the design team about where reductions can be made without sacrificing the bottom line of the projects design ambitions.

RECOMMENDATION

LOCAL AUTHORITIES: Ensure that design quality is protected through the procurement process by requiring commitments to be made by applicants on the retention of project teams throughout the construction process.

Securing the design team’s ongoing involvement can be achieved in a number of ways, such as through a condition of planning permission, as a design reviewer, or through an architect retention clause in a legal agreement.
Handing over control of quality comes at a cost

The dangers entailed with this transfer of risk and responsibility to contractors was highlighted in a report from the Independent Inquiry that investigated the procurement, design and construction of the DG One leisure complex building in Dumfries, Scotland. While the project is not a housing scheme, the pitfalls are certainly transferrable. Since originally opening in 2008 the council’s flagship regeneration project has spent significant time closed for remediation work due to poor construction which has ultimately doubled the initial cost of the project.

The brief from Dumfries and Galloway Council asked for a building of high design quality that would last no less than 40 years. Despite advice to use a traditional procurement model to minimise risk to design quality, the council went with a design and built contract to deliver the project. As the report itself notes, public sector clients use Design and Build contracts as a way of transferring cost and time risk to a contractor. However, the report also highlighted that a “fundamental characteristic” of Design and Build contracts is the separation of client and design team, giving local authorities little knowledge of how quality is being protected. The report notes:

“…it would appear that the achievement of cost and time objectives, took priority over the original focus of the Council on ensuring the quality of the building and its potential contribution to the future development and improvement of the centre of Dumfries.”

While the authority was able to secure a settlement from the original contractor, the overall costs were still double the initial contract value, not taking into account the time delays caused by the remediation works. Efforts to insulate against cost or programme time risk simply do not have the required effect when quality is sacrificed as a result.

The pitfalls in seeking to transfer as much risk as possible to the contractor have also been evident in social housing schemes. A report on the construction of Bridport House, a housing estate in Hackney, went to the council’s Cabinet for approval in September 2019. The construction of Bridport House was originally contracted on a Design and Build contract and the building was completed in 2011. Less than ten years later, the report estimated that the homes on the estate required £6 million in remedial works to fix defects and make them safe for residents. In recommending next steps, the report proposed undertaking the remedial works through a ‘traditional’ construction contract, on the grounds that it “provides the best assurance of quality, since the areas in which costs could potentially be cut by an incoming contractor are minimised by the details having been specified.”
Local authorities need to take a lead on quality as a strong client

This is not to say that traditional procurement always results in quality housing or that Design and Build contracts always result in poor quality. All types of procurement can deliver quality projects if managed properly by an experienced team. However, where public procurement is being led by a desire to find the lowest cost or to hand over as much risk as possible to a contractor, local authorities are exposing themselves to significant risk in terms of long-term quality outcomes.

RECOMMENDATION

LOCAL AUTHORITIES: Adopt a strong client role in their affordable housing delivery programmes to ensure that there is adequate oversight of how quality will be maintained throughout projects.

Barbara Brownlee has decades of experience working across various local authorities on direct housing delivery including in Tower Hamlets, Thurrock and now Westminster. She is unequivocal on the need for local authorities to accept the risk of being a developer and take on the role of being a strong client:

“As a council you cannot outsource risk. Developers will walk away before they take any risk. You might think that you have offloaded it but it will come back to you anyway. Councils wanting to build should accept it is their risk, ensure they understand it and then they can manage it properly.”

Barbara has a background in delivering high quality public housing schemes. She has been involved in award winning developments during her time at Westminster and at Thurrock Council, two authorities that present very different challenges in terms of housing delivery. However, Barbara has identified consistencies in the way that authorities should approach delivering quality regardless of resourcing or the land and property values within the local area. This starts with properly marking for quality through the procurement process.

“As soon as I came into Westminster, I asked the Cabinet Member if he would agree to switch the weighting of quality and price around so that quality is weighted higher than price.”

Another crucial part of Barbara’s success in this area has been being offering clarity to the market on what is expected for each project. This does not have to be a daunting or complicated process though it does mean avoiding generalised clauses and cutting and pasting between projects which so often happens.

“Procurement should not be seen as something scary. Start with a blank A4 piece of paper and write down exactly what you want. That is the start of all procurement. You then follow this up with soft market testing, find out what the market thinks of your project and don’t be too proud to alter it if your research suggests you should. The market is good at what it does. With a clear and flexible client and a premium for quality I think procurement can deliver great results.”

Good procurement requires the right people managing the process

Good procurement relies on having the right skills and personnel in place to ensure that the process will reflect the client’s priorities for the project. This is true regardless of which form of procurement is used. All routes of procurement can deliver good design quality outcomes with the right experience managing the process. However, this is particularly important where the client is not employing the design team directly, as in Design and Build.

Experienced personnel should be working on behalf of the local authority to specify conditions of the contract in a way that protects design quality. In traditional procurement routes, this can be by correctly weighting price and quality and providing clear expectations of standards for those bidding for the project. This ensures that the client’s priorities are embedded through the project team’s approach.

In the Design and Build route, this could be by mandating through the contractual agreement that the design team provides direct updates to the client local authority without interference from the contractor. Ensuring that local authorities have the understanding and skills to protect design quality through procurement is crucial to delivering council housing to the standards that the public want and expect.

In the evidence gathered for this report we found that there is concern from within local government that this experience is not in place. We heard of vacancies in procurement teams and difficulty hiring people with necessary experience. Local authorities also reported sharing of frameworks among nearby authorities, but it’s not clear that there is a deep understanding within this sharing as to how frameworks are set up to secure quality outcomes.

We also heard of clashes between development teams and procurement teams within local authorities, with the former feeling that they are coming up against a lack of understanding of the value of design quality among their procurement colleagues. To help address this, the government should work with local authorities, focusing on other functions such as the finance, procurement and legal teams within a council to improve understanding of the value of quality design.

RECOMMENDATION

MHCLG: Engage local authority legal, finance and procurement teams to improve understanding of the value for money benefits of investing in quality.
Case Study

The City of York Council began its delivery programme around 2 years ago. The council currently plans to build 600 homes over the next five years. A major purpose of the programme is to try to influence the local housing market and raise the general quality of housing being built. As part of this, the council has launched a new Design Manual for its development pipeline setting out the standard for new council housing and sending a message to other developers as to what the council considers to be good quality housing.

In the past two years the council has completely reformed its procurement approach. Previously they used standard local authority procurement frameworks. These were generally tailored towards securing the cheapest price rather than the best value for projects. A decision was made in the council that, rather than focusing primarily on price, they wanted to ensure they worked with consultants that matched aspirations for design quality.

After securing buy-in across the senior leadership at the council, York undertook a procurement exercise where they invited architects to express interest in a new procurement framework, with a focus on good placemaking and giving greater weight to quality. They also contacted architecture practices that had designed housing schemes that reflected the council's ambitions for quality. They then worked with them to ensure that the council's procurement approach would not arbitrarily exclude these types of practices. Local government procurement practice often makes it hard for SME's to compete. Excessively high requirements for warranties or insurance can exclude many practices from frameworks without the client necessarily realising.

York also encouraged practices to submit collaborative bids, enabling very small practices to work together and compete against larger, more established architects. Conversations with architects helped the council to understand that certain questions that seem relatively innocuous can disadvantage SMEs and prevent them bidding for work. For example, asking for tenders to demonstrate past examples of delivering 600 homes would have removed many local SMEs from contention, without usefully proving anything about competence. The development team at York worked with finance and legal colleagues to ensure there was a wide-spread understanding internally and commitment to this approach.

Shortlisted architects were also asked to bring a wider consultant team with them so that shared values would be consistent across the whole project team. York's selection panel for the framework included an urban designer and a project manager with a background in architecture. This ensured there was a deeper understanding of design quality among those carrying out the assessments. The City of York Council's Head of Housing Delivery, Michael Jones, spoke of the importance of having this expertise in securing positive design outcomes at a local authority level:

“If you don’t have in-house design experts that you can talk to about these schemes, people who can foster a passion and drive a culture for making great places, then I don’t know where the voice of quality would come from.”

Michael joined York having previously worked as part of the team that delivered Derwenthorpe. A renowned social housing scheme in York that has won numerous awards, as well as featuring in an RIBA report demonstrating examples of good design in housing. This experience provided a first-hand understanding of the life changing benefits for tenants of providing high quality social housing and has been a big influence in York's design-led approach to housing delivery. We heard from others working in local authorities of the importance of having high quality examples of housing developments within the authority boundaries to help set a benchmark for other new developments.
Public procurement is often restricted to those who can afford to take part

As noted previously, public procurement regulations across Europe are fundamentally the same. While it would be unwise to draw detailed assumptions from data covering such a range of contract types, data produced for the European Commission tells a staggering story: procurement in the UK is amongst the slowest and most expensive in Europe. Procurement exercises in the UK take on average 60% longer than they do in Germany and cost two and a half times more than they do in France. For a sector dominated by medium, small and micro-businesses like architecture, the cost and complexity of winning work from the public sector is often a prohibitive barrier.

Procurement exercises take on average 60% longer than in Germany

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Procurement in the UK is slow

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# days entire process (median/mean)

Chart 2: Time for entire procurement process by country
(median/mean number of days)
And expensive

Authorithy €('000) + (firm €('000) * Bids) = Total € per competition ('000)

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Chart 3: Typical cost of a competition
(weighted averages)
Building a sustainable future

The growing awareness of the Climate Emergency makes the need to address the environmental impact of the built environment all the more urgent. The UK’s housing stock performs poorly in comparison to those of our neighbours and the standards to which we build lag well behind what is possible. The tragedy is that good, sustainable homes do not cost substantially more to build. We need to raise the level of ambition – and the public sector is well placed to do this. Even more importantly, it is time to drag the construction industry into the modern era. Continuous improvement has defined industry best-practice across the economy for centuries, yet it remains a curious novelty in construction. We won’t know how well new homes are performing without a more rigorous approach to assessing quality, sustainability and the value of innovation.
Housing is a major contributor to the climate crisis

We are facing a global climate crisis. The UK Government has recognised this by committing in law to making the country net-zero by 2050. The built environment is responsible for 40% of the UK’s carbon footprint, with energy use in homes accounting for around 14% of greenhouse gas emissions.

It is vital that there is a sea change in the way that housing is built in England to promote a more sustainable housing stock to meet set targets. In 2019, the RIBA declared a climate emergency and set ambitious targets for reducing the built environment’s impact on the environment.

Local authorities have a financial incentive to build low carbon homes

The motivation for local authorities to raise the environmental standards of new housing goes beyond climate targets. There are clear examples of social housing providers building low carbon homes with the primary objective of ensuring low heating bills for tenants. Alongside social motivations of improving the lives of tenants by reducing fuel poverty, it can also benefit the social housing provider by reducing the chance of rent arrears.

Passivhaus provides assurances over design quality, as homes have to face a rigorous certification process. This was recognised by Bristol City Council among its motivations for choosing to design new housing to Passivhaus standards. The council acknowledged the performance gap that is common in the standard housebuilding model and wanted a process with a track record of delivering what is predicted at design stage. The council also stated that the more rigorous process for achieving Passivhaus certification ensures that the building work is done in line with the design. Newham Council has also identified savings in future upgrades due to improved quality as a key benefit in their strategy to build to Passivhaus principles. Newham Council currently has in-house Passivhaus certified design expertise supporting its sustainability ambitions for its delivery programme.

This quality assurance is becoming increasingly important to local authorities in the aftermath of the Grenfell fire tragedy as uncertainty over the fire safety of building has continued. Both Newham and Camden Council have taken a similar view that Passivhaus provides more assurance, particular around fire safety, as the build is to a specific standard.

In addition, local authorities have reported that in building homes for private sale under a cross-subsidy model they can add a premium to homes they build to low-energy standards, providing additional short-term capital gain on mixed-tenure projects.

2030 CLIMATE CHANGE TARGETS

Our 2030 Climate Challenge targets consider the latest recommendations from the Green Construction Board and have been validated through consultation with UK professional bodies and with the Committee on Climate Change.

- **OPERATIONAL ENERGY**: Reduce operational energy demand by at least 75% before offsetting.
- **EMBODIED CARBON**: Reduce embodied carbon by at least 50-70% before offsetting.
- **POTABLE WATER USE**: Reduce potable water use by at least 40%.
- **HEALTH AND WELLBEING**: Achieve the RIBA 2030 Challenges core health and wellbeing targets on temperature, daylight and indoor air quality.

2030 CLIMATE CHANGE TARGETS
Our 2030 Climate Challenge targets consider the latest recommendations from the Green Construction Board and have been validated through consultation with UK professional bodies and with the Committee on Climate Change.
**Local authorities are already leading in pushing sustainable housing**

Local authorities have already had success in improving the sustainability of new housing through their planning policies. Brighton and Hove City Council and Ipswich Borough Council have both incorporated requirements for homes to meet the equivalent of the Code for Sustainable Homes Level 4 into their local policy. More broadly, it has been suggested that 51% of local authorities have higher building standards than national requirements in relation to sustainability.

Local authorities are now going further through their own housing delivery to achieve net-zero new homes. Norwich City Council, Exeter City Council, and Bristol City Council are all examples of local authorities building to Passivhaus standards. Given the clear long-term benefits offered for both local authorities and tenants, a zero-carbon approach to housebuilding should be adopted by all authorities undertaking direct delivery.

Feedback from a number of local authorities involved in Passivhaus schemes has been mixed, with some that have successfully built to the standard finding it a relatively small additional up-front cost when compared to overall project costs, as well as long-term savings for tenants on energy bills. While the exact costs are difficult to quantify in the UK, the Passivhaus Trust has reported that in Germany extra construction costs are between 3-8% more expensive compared to standard, though experienced designers have reported achieving Passivhaus buildings at no additional cost.

As has been noted by Exeter City Council, when seeking to reduce energy use through a design approach, the procurement of the project becomes even more crucial. Leeds City Council reported contractors struggling to deliver to Passivhaus standards due to lack of experience. Fixing the design before tendering projects is one recommended approach to ensuring that outcomes are not diminished by design quality reductions at a later stage.

**Post Occupancy Evaluation is central to building sustainably**

Even when designing to achieve zero-carbon standards in new homes, there are still difficulties in achieving the desired outcome. It is essential that local authorities ensure that Post Occupancy Evaluation (POE) is embedded into projects at the procurement stage. POE is the assessment of how the performance of buildings measures up to the expectations of the team that designed and built it.

A study from the UK Government’s Building Performance Evaluation programme published in 2018 demonstrated the importance of this. POEs were undertaken to assess the performance of 188 homes across the UK. All of the homes assessed in the study were ‘low energy’ but only 50 were Passivhaus standard. Despite the ‘low energy’ label, the report showed that the majority of developments were losing heat at windows and doors suggesting a need for improved detailing, specification, and workmanship.

The study found a significant performance gap across the housing surveyed despite the projects being low energy and having design and construction teams that were aware of the monitoring and testing regime the development would face. The data collected by the POEs provides crucial information to the entire project team on how to improve performance in future. This is essential for local authorities that have intentions for long-term development pipelines to ensure the housing that they will continue to own and manage is performing to as high a level as possible. Numerous local authorities that we spoke to were considering or were carrying out post occupancy evaluations to some degree.

It should be noted that assessments of heat loss in non-low carbon housing has shown that the performance gap for new homes can be up to 100%, meaning homes are losing twice as much heat as they should be and potentially leaving consumers to pick up the costs in heating bills.

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**RECOMMENDATION**

**LOCAL AUTHORITIES:** Adopt low carbon environmental standards in affordable housing delivery programmes, recognising the long-term value return and benefits to tenants through tackling fuel poverty.
POE helps to understand how tenants interact with their home and can drive improvements to future schemes

POE is not only a useful tool for measuring energy use, it can also give a better understanding of resident satisfaction and how people are interacting with their new home. This can help to improve satisfaction for both current and future residents by understanding where issues might be arising. In another study undertaken through the Building Performance Evaluation programme, a research group conducted POE on three low-carbon social housing developments in the South-East. The housing used a Mechanical Ventilation with Heat Recovery (MVHR) system to help maintain heating and ventilation levels. MVHR systems can lead to significantly reduced energy consumption at relatively low costs. However, POEs carried out across the three projects, including interviews with occupants of the homes, found that poor installation and commissioning of the MVHR system had resulted in worsened performance in fresh air supply, indoor air quality and high energy consumption. This was made worse by poor understanding of the system among residents which had led to it being misused or disabled. The POEs resulted in recommendations of how to improve commissioning of ventilation systems, as well as highlighting the need for better training for residents along with more user-friendly and intuitive controls.

The sector needs a consistent definition for POE which should be backed by Government

There is currently not a clear sector definition for what qualifies as POE. Methods for collecting data for POE can range from surveys and interviews with residents, analysis of energy bills through to sensors and thermal imaging being used to accurately measure heat loss. While useful, conducting surveys alone should not qualify as POE, as it collects very minimal amounts of data on how homes are performing. Likewise, a focus solely on energy bills to determine energy use ignores the importance of measuring social wellbeing.

A cross sector agreement should be reached on a definition for POE. Given their role in overseeing public investment, we believe that Homes England would be best placed to do this. An agreed definition provides certainty for clients and ensures they have a proper understanding of the service they will receive if they adopt POE into their contracts. The government should support this approach with a commitment to make POE mandatory for all construction projects that receive public funding. This would make sure public sector clients get a true understanding on whether they are achieving value for money on taxpayer funded projects, as well as encourage learning that can be applied to other projects.

**RECOMMENDATION**

HOMES ENGLAND: Establish an agreed definition for post occupancy evaluation to give all developers certainty when including requirements within their contracts.

**RECOMMENDATION**

HM TREASURY: Make post occupancy evaluations mandatory for all projects that receive public funding.
Leeds City Council has set out ambitions to build 300 new council homes per year over the next five years. They have already added up to 1,000 affordable units to the housing stock through a variety of means, including directly commissioning new build housing, funding homes through a Private Finance Initiative (PFI) programme, as well as bringing empty homes back into use. Affordable housing in Leeds is linked to local incomes rather than the national formula which is linked to market rent. The 1,500 homes to be built over the next five years will be delivered through the council’s HRA. Leeds also loses hundreds of its social housing stock every year to Right to Buy so is trying to invest the receipts into its housebuilding programme within the timeframe allowed before they are lost. Local authority right to buy receipts are sent back to government if not spent within three years.

The development team responsible for delivering Leeds’ affordable housing pipeline has two urban designers that support the programme, alongside a dedicated planning resource, including planning officers a landscape architect, a highways engineer and various other specialists. This mix of experience is essential in enabling Leeds to take on a strong client role, as the various specialisms can provide scrutiny on plans that come in from the consultant teams. The in-house team provides check and balances to ensure that the quality of schemes is maintained throughout projects.

As Leeds City Council has become more experienced as a developer, the development team has ensured that engagement takes place between their in-house designers and the contractor’s design team as early as possible in the project. This ensures that the external expertise fully understands the brief before undertaking extensive design work. The in-house resource that Leeds has also enables them to set robust specification at the start of projects to set clear expectations for contractors, and they will work with them right through to delivery onsite with their technical design team.

Leeds has also found additional benefits of having urban designers working in-house. There have been past difficulties in the development management process with a lack of joined up understanding of the importance of design. The in-house team is working to change perceptions within the council to improve understanding of quality design in placemaking.

Mark Denton, Head of Council Housing Growth at Leeds City Council said:

“What we are trying to do is deliver something that is of high quality. Something you’d still be proud of and would still work in 60-80 years. You don’t get that from just churning out numbers.”

Leeds attributes part of its success in following a quality-led approach to having the procurement team working under the direct management of the Head of Council Housing Growth. This ensures that there is consistency in approach between the procurement and project management teams in prioritising the value of good design. The council considers the procurement process as being a facilitator to achieve the scheme that they want, which determines which procurement route is selected.

The declaration of climate emergency by the council has helped to drive a sustainable approach through its housebuilding programme. Leeds has considered Passivhaus standards in the past but has found it difficult to find experienced contractors that can deliver it. There is some concern within the council that building to zero-carbon standards is more expensive but an acceptance that it will have to become the standard in the long term to meet the government’s climate commitments.

One way that Leeds is trying to improve sustainability of its housing stock is by exploring modern methods of construction. The greater degree of control it offers by developing in a factory setting helps to ensure higher levels of energy efficiency, as well as delivering programme speed benefits. The council places significant focus on aftercare and handover of the projects post-construction to ensure that tenants understand their new home, particularly with increasingly new technologies being built in. As well as providing user guides and instructions to tenants, a key way of doing this has been the handyman service set up by the council to ensure that tenants feel supported and understand how to maintain their home.

Leeds has considered a number of options for helping to deliver affordable housing in and around the city centre and fringe including creating a development company or pursuing flexibilities through the Housing Revenue Account and through partnership working. The rationale for this is that city centre sites are more difficult to achieve higher levels of affordable housing through social rent models alone. The council is currently focused on building housing but as its pipeline grows there is an interest in moving towards larger mixed-use developments.

Leeds has already begun to build new homes. The Garnet Grove development in South Leeds was completed in 2018 and comprises 25 2 and 3-storey family homes with a focus on quality and high standards of design, sustainability and energy efficiency. The project was funded by Leeds City Council and delivered by Kier Group, NPS Leeds and Edward Architecture.
A dramatic increase in the number of new council homes will not be possible without more money. Whether this is through grants, the lifting of borrowing restrictions or the removal of conditions on how money is spent, we need to recognise that the status quo is an expensive mess which delivers poor outcomes. But, money on its own is not going to be enough. A new mindset is needed which recognises the importance of inhouse expertise to the quality of new housing. It will be a big task to get local government up to speed, but it is vital that this area is not neglected.
Government must do more to support councils to build

In the interviews we conducted, participants identified skills, lack of land and funding as the main barriers to delivery. Part of the answer to building more new council home is money. It is unrealistic to expect significant increases in the number of homes without either greater funding, or the removal of barriers to borrowing to build or generating income.

The UK needs to invest in the future of public housing

UK government spending on support for housing is already the highest in the OECD. However, by choosing to subsidise present day usage, rather than investing for the future, successive governments have contributed to a policy which will become increasingly expensive if housing costs continue to rise above the rate of inflation.

Local authorities remain constrained by central government finance rules

While the lifting of the HRA borrowing cap has enabled some local authorities to borrow more, it is only a small part of the financial solution. A range of borrowing restrictions still remain in place on local authorities, and for those that do not have a Housing Revenue Account, there has been little new government policy to support increased housing delivery. If the government truly wants to commit to delivering the new generation of council homes, it must provide the funding to match the ambition.

RECOMMENDATION

HM TREASURY: Progressively increase grant funding for new social housing to help lower long-term housing support costs.

United Kingdom
Finland
Germany
France
Denmark
Netherlands
New Zealand
Sweden
Croatia*
Australia
Greece
Iceland
Ireland
Austria
Czech Republic
Israel (a)
United States
Japan
Bulgaria
Norway
Estonia
Korea
Lithuania
Latvia
Poland
Hungary
Luxembourg
Cyprus (b,c)
Malta
Chile
Portugal
Costa Rica

Chart 4: Public spending on housing allowances in OECD countries

Government spending as % of GDP, 2018 or last year available (1, 2)
Current government policy is having a direct negative impact on council’s ability to build

Local authorities have had to get creative to try and find solutions that fit within their own distinct local circumstances to build more homes. There are currently at least 27 different types of housing provision being used by local government. Councils have been clear that arbitrary restrictions on spending are limiting their ability to build, particularly as their social housing stock continues to be depleted through Right to Buy.

In fact, local authorities have reported current Right to Buy rules having a direct negative impact on the quality they are able to deliver. In some cases, councils reported being restricted from investing more into housing quality due to the financial risks of losing that investment by having to sell off housing at a significant discount. If the government is genuinely committed to a local authority housebuilding programme, it must review the current Right to Buy policy and work to reverse the negative impacts that it is having on both increasing housing numbers and on housing quality.

Unlocking housing growth requires building capacity in local government

The wide ranging RTPI research on this subject identified the lack of expertise as a main barrier stopping local authorities from beginning to engage in direct delivery, as well as one of the biggest barriers restricting those that are already building from increasing output. Recent governments have acknowledged that the lack of skills and capacity within planning departments has had a role in slowing down the development management process, but equally important is the affect that this is having on the ability of local authorities to build their own housing as well.

RECOMMENDATION

HM TREASURY: Remove borrowing and spending restrictions on local authorities to enable greater investment in social housing.

RECOMMENDATION

MHCLG: Provide local authorities with the freedom to set their own planning fees to ensure they can adequately invest in resourcing to cover development management responsibilities.

In-house design skills have been highlighted as an area in which local government is lacking. Research carried by Place Alliance in 2017 found that design capacity within local authorities has been declining over time, to the point where almost half of local planning authorities have no dedicated in-house design capacity at all. In 1976, 49% of architects worked in the public sector. Today the percentage is less than 1% nationally.

Through our conversations with local authorities for this research, we heard about local authorities that are unable to draw on urban design advice either at district or at county level. In these circumstances, planning officers with no background in design are having conversations on the design of major planning applications, despite lacking the expertise. This aligns with feedback from RIBA members, many of whom have reported difficulty in having design conversations with local planning authorities due to a lack of experience within councils.

27 different types of housing provision being used by local government
Design skills is not the only area in which local authorities have identified gaps. Procurement was repeatedly identified as an area in which it is difficult to hire. Many of the issues around hiring are not just to do with lacking resources. Research from Public Practice has found that local authorities are struggling to attract the right people for a variety of reasons, varying from advertising in the wrong places, through to overly bureaucratic hiring processes. As a social enterprise helping local authorities to fill skills gaps, Public Practice is acting as a much-needed connector to help local authorities build the required skills to deliver on their development ambitions.

The reality is that if councils are to become developers then they will need to establish new teams that have a varied skillset. There is more that government could be doing to help local authorities with this. In the first instance, central support for Public Practice to expand their operations beyond London and the South East to meet demand across the country seems like a prudent investment.

**RECOMMENDATION**

**HOMES ENGLAND:** Explore innovative solutions to meeting the capacity shortages within local government planning teams, including funding Public Practice to expand its work beyond London and the South East.

Building Homes requires a range of skillsets that local authorities have not necessarily required for years

Feedback from those working within council housing delivery teams has consistently focused on the need to establish a strong team with a diverse range of skills and a clear understanding of the council’s desired outcomes. Some people reported issues with the management of projects due to the lack of in-house skills. Where a council lacks experience in developing housing the client responsibility might fall to the team that has a housing management background but little experience in construction. This can cause delays by not having an informed client. We also heard about the importance of having people with a more specific commercial understanding on board for projects where councils might not historically have needed this experience.

Crucial to achieving successful outcomes for housing delivery is ensuring that the quality ambitions for housing are fully understood and accepted by those working in non-development focused roles, such as legal and financial positions. While they might not always have extensive experience relating to housing and development, people in these positions have a significant influence over the outcomes of housing projects. Where there is difficulty in convincing the people in these types of positions of the long-term value of investing in quality, outcomes are likely to suffer.

Joanne Payne is the Service Manager for Housing Growth at Sheffield City Council. She expressed the necessity of having a clear vision within the delivery team for the quality of the council’s housing output:

> Our driver is quality, not just numbers. Our business plan is based on units being a quality build with high sustainability and thermal performance requirements. At times I have been pushed on why we are spending more than private developers. We have the option to buy off plan or build cheap houses, but we won’t necessarily get the right product for us – homes incorporating sustainability and lifetime homes principles. You have to ask, ‘what is it you want to produce?’ We want to reduce fuel poverty and build housing for the future. ❭
In-house design skills have far-reaching benefits

A crucial part of embedding this understanding of the value of design quality within a council’s delivery programme is having experienced design expertise within the local authority. We consistently heard about the important role played by those with a design background. That included helping to improve understanding of design in teams right across the council, from legal and finance through to highways and waste management.

RECOMMENDATION
LOCAL AUTHORITIES: Recognise and prioritise the importance of in-house design expertise to secure quality outcomes when delivering social housing projects.

Another key function of having design experience within direct delivery teams is helping to set clear and specific briefs when going out to tender, especially those that have experience working in architecture practices so understand the common pitfalls in public procurement. Clarissa Yee is a Public Practice Associate that the organisation helped to get placed in Redbridge Council. Working as part of the team delivering council housing aligns directly with her interests, though before connecting with Public Practice she was unaware of the opportunities available for her skillset in local government. Since joining she has been able to draw on her skills and experience to help drive quality goals.

“Having experience in delivering housing in the private sector as an architect, you know that decisions that have been made before the brief is written, can have a huge impact on the design. Equally, when there is not clarity early on this can end up stalling the project later down the line. As a local authority developing affordable housing we have the benefit in knowing the residents and their needs in a way typical developers do not. That allows us to be bespoke with the housing we commission because we know who will be moving in.

If you hire good architects, they would ask you the right questions but that’s a bit later in the process. Having somebody who can look at these options before the brief is set saves time and connects strategies together across the council. This could avoid the situation whereby the architect is designing a good scheme to a dramatically changing brief, which means redesigning, extending programmes and is a waste of time and resources. Instead, the clarity gives way to more opportunity for creativity, and focus on quality. There is a lot of value in knowing the design process from the other side.”

Treasury rules which force public land to be sold off to the highest bidder need to be altered

Across England, there has been a drive to build new homes on unused plots of public sector land. While in some cases, such as Goldsmith Street, this has led to excellent outcomes and high numbers of social housing units, these cases seem to be the exception rather than the rule. Research in 2017 found that as little as 7% of new homes built on sites disposed of are likely to be social housing and in some cases, developments comprised entirely of luxury properties.

A large part of the cause of this is the Treasury rules around what qualifies as ‘best value’. This is significant because councils are required to obtain ‘best consideration’ when selling off public land. In theory, this does allow land to be sold at less than market value if the sale provides wider value considerations such as economic, environmental and social value benefits. However, any land disposal at less than market value needs to be approved in advance by Ministers and signed off by the departments Chief Accounting Officer. This clearly prioritises a market value first approach, meaning the reality is that achieving best market price too often remains the fundamental drive for disposal of public land.

The government set a target under its Public Land for Housing Programme to increase housing supply by releasing surplus public sector land for at least 160,000 homes in England between 2015 and 2020. Yet there is no coherent strategy for achieving long-term value from these sites – it is imperative that the ‘for best consideration’ requirement is removed immediately and replaced a replacement which more closely aligns to social value, sustainability and housing delivery goals.

RECOMMENDATION
HM TREASURY: Remove the legal requirement for public sector bodies to dispose of land ‘for best consideration’ and consult on a replacement which more closely aligns to social value, sustainability and housing delivery goal.
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