THE HOUSING & FINANCE INSTITUTE

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TURNING THE TIDE

Building a faster, stronger, new coastal renaissance

NATALIE ELPHICKE

Turning the Tide Building a Faster, Stronger, New Coastal Renaissance

Many of Britain's seaside towns and coastal villages have begun to turn the tide on housing deprivation and are driving housing-led renewal. There is much to celebrate.

But there is much more to be done.

Housing-led renewal in the most deprived areas can take decades to secure the full benefits. This is simply too long for the people affected, communities blighted and councils driving the change. It doesn't have to be that way.

This paper sets out three areas of reform to build a faster, stronger new coastal renaissance:

Attracting new public and private housing investment and housebuilding into the most deprived areas – to build local economic prosperity and provide higher quality homes

Enabling a One-Stop Shop for Housing Renewal Powers – to make implementing change quicker, simpler and more effective

The introduction of a Fair Value Rents regime – to repair the most damaged housing markets

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The role of housing in reversing Housing-led deprivation

Housebuilding can be a great boost to a local economy, as well as the national economy.

It has been assessed that every £1 spent on construction generates a further £2.09 on economic activity, 'higher than the return to most other sectors including advanced manufacturing and finance'[1].

The Benefit Cost Ratio of spending on housing in returning economic and social benefits has been assessed in the range of £1.7 to £3.7 for each pound spent[2]. While for some regeneration activities this has been assessed up to £5.5 for every £1 spent[3].

Total social return benefits from effective regeneration can be greater still – it is estimated that there is a total social return on regeneration investment of around £10 for every £1 spent[4].

In other words, **investing money in housing and housebuilding makes economic sense and social sense. All the more so in more deprived and difficult housing markets.**

Additionally, an active housebuilding market brings opportunities for apprenticeships, training and employment. Many councils requiring such apprenticeship and work opportunities to be made available first to local people. So new housebuilding extends and refreshes an area's housing stock, creates jobs, supports local as well as national economies. People in harder to build areas are missing out on these local opportunities for jobs and skills.

In the same way that housing can drive growth, prosperity and wellbeing in an area, housing can be a direct cause, as well as an indicator, of deprivation.

Many small deprived areas have both poor quality housing and a dominance of private rent accommodation, combined with a high incidence of benefit dependency. In Blackpool the quality of private rented housing is a significant challenge. It has been reported that "Seven out of 10 new housing benefit claimants in [Blackpool] town take rooms in sub-standard accommodation, according to internal council analysis."[5]

The most deprived smaller areas are not in London or the bigger cities. Government figures[6] show that nine out of ten of the most deprived smaller areas are by the sea. More than two-thirds of the top 30 most deprived such areas are coastal.

1 Jaywick	**2** Bloomfield / Promenade (Bloomfield Ward)	**3** Blackpool North Pier (Claremont Ward)	**4** Cliftonville	**5** Blackpool South Pier (Waterloo Ward)
6 Clacton	**7** Blackpool Central Pier (Bloomfield Ward)	**8** Wood End Coventry	**9** Bloomfield / Central Beach (Bloomfield Ward)	**10** Lowestoft

Source: DCLG Indices of Deprivation, small areas (LSOA) UK Government 2015

The characteristics of deprivation in coastal communities can be very different from its urban cousins. Understanding the characteristics of an area is key to putting in place the right support and solutions.

For example, crime and external environment, such as air quality or road traffic accidents, can be a more dominant characteristic of deprivation in towns and cities[7]. While poor quality housing[8] can have a greater impact on other deprived areas. Of the small areas most affected by poor quality housing[9], 70% of these locations are coastal.

Poor quality housing is a problem in itself. It can also be a cause of other aspects of deprivation. Research for the Northern Ireland Housing Executive[10] highlights the causative impact of poor housing on other indices of deprivation, particularly health. Better understanding of the importance of housing within different communities could focus housing led interventions to secure decisions about housing investment and better outcomes.

Research has highlighted the evidential correlation between private rented housing and areas of deprivation[11]. Such research accords with the Housing & Finance Institute's analysis and practical experience working in chronically deprived small areas.

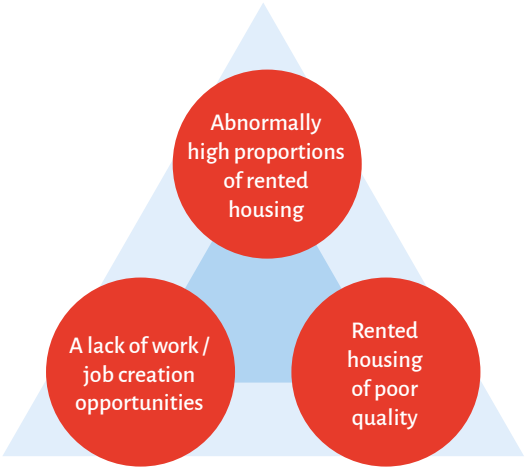
> "..the open market PRS tended to be larger in the more deprived districts relatively independently of a rural/urban distinction. Thus... the proportion of PRS households renting from a landlord or agent increased in a gradient across the quartiles as the average multiple deprivation score increased."

In such deprived areas, the private rented dominance of the market is apparent.

Coastally deprived areas within Blackpool, Margate/Cliftonville (Thanet), Hastings and Jaywick (Tendring) report hot spots where the incidence of private rented housing can exceed 80% of all the housing in a street. The number of people affected varies from hundreds, in the case of Jaywick, to several thousand in the case of Blackpool.

Of the 14 regional larger communities with the highest rate of private renting, 9 are coastal communities, some of whom have private rented levels at over 30%, around one-third of all stock, compared to the England and Wales average of 17% and 19% in coastal communities as whole.[12] Such areas also tend to have lower than average social rented homes available.

There is toxic trio of deprivation drivers: of abnormally high proportions of rented housing – of which the rented housing is of poor quality – combined with a lack of opportunities for work/job creation[13] opportunities. These features may be present in urban and non-urban areas of deprivation where the housing market is dysfunctional but they are especially marked in these small deprived coastal areas.



A toxic trio of deprivation drivers

But each of these councils, Thanet, Blackpool, Hastings and Tendring has been working to turn the tide of housing based deprivation within their areas. Examples from their work are set out in the Annex 1.

This work shows that it is possible to make the change needed to improve the quality of life and outcomes for current and future residents.

But these councils don't do it alone. A housing led renewal requires public sector intervention to repair a failing housing market. It needs to attract new housebuilding and investment from the public and private sectors alike to succeed.

There are a number of companies[14] who are active in supporting and building in complex areas, as well as regeneration and place-making who work with councils and residents to create management and investment propositions to embed social as well as property growth over the long term.

There are social and property investment funds[15] who are seeking to apply their money to create a social impact as well as a financial return or who want to invest in high quality social and affordable housing. These companies and financial institutions want to create rather than extract value. To help to change challenged areas, estates and locations for the long term.

Central government and the Homes & Community Agency (Homes England) have a strong role to play in working to provide seed funding and patient capital alongside the private sector. The work of the Government's Coastal Communities Team and targeted funding, including housing renewal and rogue landlord funding, from Central Government and the HCA has boosted the financial capability of councils to take a lead in chronically deprived areas.

In two tier areas, County Councils have played a pivotal role in coastal renewal areas: Kent County Council in Cliftonville/Margate, and Essex County Council through a multi-million road investment into Jaywick.

All parts of local and national government have played a strong part. That has attracted, retained and boosted private sector activity and investment.

Attracting good quality corporate and financial partners who bring in additional skills, housebuilding and investment should be an aim in itself in areas where the local housing market is so seriously damaged that new housebuilding and housing investment is absent.

The work that has and is being carried out by these councils is inspiring. The difficulty of their task is immense. It is made unnecessarily hard. There is market failure of the local housing markets in these areas. There is a multitude of complex legislation that hasn't been co-ordinated or consolidated. There is a relative unattractiveness of these small housing markets due to their chronically deprived condition. This, in turn, results in a lack of new housebuilding and housing investment, further entrenching tired out properties and housing-led deprivation.

New housebuilding and housing investment to build local economic prosperity

Policy Snapshot

When areas become 'deprivation hot-spots', they can become housebuilding 'not-spots', places where traditional housebuilders and developers simply don't want to build and traditional investors and financiers don't want to invest. However, there are experienced developers and regeneration experts as well as emerging social property fund investors who want to support housebuilding and who want to improve private rented conditions in order to make the change in deprived areas. There are some housebuilders, local and national, who are committed to social renewal and change.

Policy Recommendation

It is recommended that

There should be greater financial and skills support from central government and Homes England for councils who have communities with small local failed housebuilding markets

Activating new housebuilding and attracting social property fund investors should itself be an ambition in such areas

Housebuilding should be across all tenures in order to re-balance housing in deprived communities

The economic stimulus that construction can provide to bring apprenticeships, jobs and new business is directed to provide opportunities for deprived communities. This could include the location of new off-site construction factories in order to drive additional skills and local growth.

The Tools to Drive Success

Councils face different challenges in different communities. There is a range of tools and resources which can help to drive successful outcomes. These include money, powers, skills and leadership.

MONEY
Council's own resources
Private sector loan funding
Private sector investment
Housing Mark Renewal Fund
Direct Government Scheme Funding
Coastal Communities Team Funding
Non Business Charitable funding (including Big Lottery)
Business Based Charitable funding and Pro Bono Support
Other Public sector funded resources (example County Council, Growth Funds/LEP)

POWERS
Planning
Landlord licensing
Market Renewal
Multiple Occupation
Land & Property Acquisition
Council's investment powers
Council's financial powers (HRA and Prudential Borrowing)

SKILLS
Council's officers and staff
Specialist consultancy / advisers
Council's own and national dedicated renewal / regeneration / coastal teams

LEADERSHIP
Political leadership
Community leadership
Coastal Community Team
Public / private project teams

Understanding the use and success of such tools and decisions will enable other areas to similarly succeed in renewing their areas. However, improving the simplicity, cost effectiveness and clarity of available powers would enable councils to control and deliver outcomes much quicker and better. **Instead of generations and decades, the most challenged housing market areas could be turned round within lifetime and years.**

Housing & Finance Institute research has identified a strong case for supporting greater local flexibility for councils to have extended powers and retain sales receipts and other funding locally where a council has a strong track record and realistic deliverable plans for housing[16]. This should be applied, together with greater flexibility on tenure and planning, within the renewal area.

The Elphicke-House Report for the UK Government emphasised the importance of updating and extending guidance, including on land disposal and consents, as well as providing flexibility on the number of homes to be held outside the HRA cap[17]. This should be provided within the renewal area.

A One-Stop Shop for Housing Renewal Powers

Policy Snapshot

There are a multitude of powers available to councils to take action to renew broken housing markets, to take action against rogue landlords and drive up housing standards. However, each of the powers are contained in different laws and regulations, require different processes and consultation and apply over different periods of time. Some of these powers date more than four decades – reflecting a very different housing market and a very different type of local authority. The result? a hotchpotch of mis-matching powers which are complex, time consuming and expensive for councils to use.

Policy Recommendations

It is recommended that

A one-stop shop is created by extending housing renewal powers and providing guidance on what is permissible, and what is possible, in order to drive local renewal and growth

The one-stop shop would provide a single and over-arching administrative process whereby councils can develop, consult on and then implement relevant powers and actions on housing quality, planning, new housing, growth and tenancy management within a specific housing renewal area. The housing renewal procedure requires a beginning, an end, an implementation strategy, a plan for financing and consultation across all land and resident interests that would be affected

Guidance is extended and updated on disposal of land, investment and borrowing powers

Renewal councils are provided with greater flexibility to flex tenure, manage planning and hold property outside the Housing Revenue Account, for example where they would be doing so in order to create a portfolio to be externally financed and/or managed and to have flexibility on related Housing Revenue Account headroom increases to support renewal aims.

One Stop Shop *Proposal*

The Housing Renewal Order is updated to allow a 'one-stop shop' where one full administrative process and one comprehensive consultation is undertaken that then automatically activates access to other relevant statutory powers

Local Government & Housing Act 1989	Housing Act 2004	Housing Act 2004	Environment Protection Act 1990	Town & Country Planning Act 1990	Planning & Compulsory Purchase Act 2004	Housing Act 1985
Housing Market Renewal Orders	Selective Licensing (landlord licensing)	Licensing for houses in multiple occupation	Abatement notices for statutory nuisance	power to acquire land compulsorily for economic, environmental or social well-being	compulsory purchase of properties	power to acquire land for housebuilding
for unsatisfactory living standards & housing accommodation	Example Powers that could be brought together: also more flexible borrowing, investment and local planning powers to be included					power to acquire land for works or repair of an adjoining house

Repairing Damaged Rental Markets

Having attracted new housing market participants in the shape of financial institutions and developers, and having exercised all of the relevant powers to begin to shape and deliver renewal, there remains one dysfunctioning market element which is not within the control of councils or the private sector to resolve. That is the impact of the benefits system on creating adverse financial incentives.

In areas of low capital values and high housing benefit dependency, too often tenants and taxpayers alike overpay for housing which just isn't worth the rent being charged. Too often rents are too high because they are underpinned by benefit rent allowances which are excessive for the location and quality of the property. With a benefits driven cash flow bonanza, advertisements of 9%-15% returns, and little or no incentive for landlords to invest in the long term capital value of the property[18].

How to reform housing benefit so that it supports quality and affordability for tenants, while incentivising and rewarding the provision of good quality property is very difficult. There are two potential approaches to consider: amending the Local Housing Allowance level (LHA) or implementing a time limited period of 'fair rents' to control the rent which can be charged within a specific renewal area.

LHA Adjustment: The first approach would consider whether the maximum amount payable is at the right level for a severely deprived area, looking at its impact within the housing benefit assessment area. An example is Blackpool, where the council have asked Government to reduce the LHA level by 30%[19].

The perceived advantages of adjusting the benefit levels for specific sub areas are that the tenant pays less and so does the taxpayer. This should drive rent level reductions and begin to readjust away from rental values towards capital values.

However, in such areas it is not uncommon for many tenants to be extremely vulnerable. To be renting in that location from lack of choice for another. In such circumstances, it is not unheard of for a private landlord to let arrears run up of the difference between the rent charged and the rent payable by benefit, in order to be able to control the exit of the tenant at any point in time. In other words, to undermine statutory security of tenure and leave tenants fearful of when they might be evicted.

Another potential problem with such an approach is that it can discourage new investment. Reducing the attractiveness of a market for rent in an area where it is already difficult to attract investors may disincentive rather than incentive investment to improve the housing quality.

Fair Rents: Another approach is, within a housing renewal area, to impose a modern fair rents regime. The old fair rents regime[20] sets the rent legally applicable on the property rather than the maximum that will be paid by benefits. The rent level set takes into account the quality and condition of the property. Applying a modern fair value rents regime reflecting quality of condition and management of property could have the same economic effect for taxpayers and tenants of adjusting markets where rent levels are defective, and at the same time reward landlords who invest in better quality properties and appropriate management standards. This would be more likely to incentivise new housing market building and investment. Such an approach could also rebalance the fundamental investment dynamics of spend, yield and return over time.

A Fair Value Rents Regime would be a new power to include within the 'one stop shop' of market renewal. Its inclusion could significantly speed up the renewal of the most deprived areas, drive a fairer deal for tenants and taxpayers and attract new housing investment.

A Fair Value Rents Regime

Policy Snapshot

Too often tenants and taxpayers alike overpay for housing which just isn't worth the rent being charged. Too often rents are too high because they are underpinned by benefit rent allowances which are excessive for the location and quality of the property. With a benefits driven cash flow bonanza, advertisements of 9%-15% returns, and little or no incentive for landlords to invest in the long term capital value of the property.

Policy Recommendations

It is recommended that

A time limited local application of a fair value rents regime is introduced. This would set, by law, a locally assessed fair value rent for the property reflecting the location and quality of the property, within the existing local housing allowance (rent benefit) envelope

Applying a modern fair value rents regime reflecting quality of condition and management of property would be expected to have the economic effect for taxpayers and tenants of adjusting markets where rent levels are defective. At the same time it would reward landlords who invest in better quality properties and appropriate management standards

The proposal rewards those landlords who invest in their properties and look after their tenants

The renewal period would create a window to repair the most extreme economically dysfunctional housing markets where rental markets have warped and damaged ordinary capital values for homes.

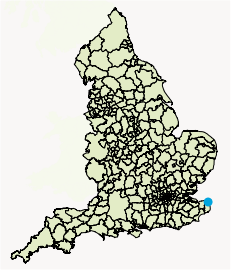
Conclusion

Britain's coastal communities can contain great beauty but also great poverty. Some of the most beautiful housing in the world can be found in England complementing coastal vistas. Yet some of the poorest quality housing, deprivation and squalor also punctuates the coastline.

In some coastal communities housing is the problem, not just the outcome, in extremely deprived areas. The housing market is well and truly broken: with extreme housing poverty, high levels of poor quality private rented housing, an economically dysfunctional and damaged housing market and lack of new housebuilding or housing investment.

The proposals in this paper can provide a boost for a coastal renaissance to provide opportunities to break up the concentration of housing poverty and attract new high quality building and investment. Housing can be pivotal to securing jobs, growth and to reversing entrenched deprivation.

Celebrating Coastal Success



Thanet

This popular seaside resort struggled to restructure following the decline of domestic tourism. This is a case study explaining how the council worked to turn socially troubled multiple occupancy into an opportunity to provide higher quality rented homes. There are plans for thousands more homes to be built on sites across the area. There is strong shared focus on economic growth reflected by local, county, parliamentary and resident representatives.

Thanet Council (Margate and Cliftonville)

Market Renewal

Selective Licensing

Improvement incentives to landlords

Rogue landlords

Thanet's Market Renewal

Margate's significant housing challenge stemmed from an economic problem. But a housing problem has required a housing solution. Thanet Council has tackled that problem in a very direct way.

Margate was long a popular seaside resort and it struggled to restructure following the decline of domestic tourism. Many guesthouses converted into low-end multiple occupant rented accommodation with shocking housing conditions.

Poor housing conditions fuelled wider anti-social and neighbourhood problems. With falling demand for market-sale properties and more money to be made from rented housing, home ownership declined.

Ultimately, private rented properties dominated and a disproportionate number of tenants were housing benefit claimants – nearly 80 per cent of all homes rented by housing benefit claimants in some parts of the area.

To counter this, the council has worked hard to tackle the number of sub-standard rental properties. In 2008, the council listed Cliftonville West and Margate Central as **housing market renewal areas**, demonstrating their intention to improve the housing stock and reduce levels of deprivation. Direct intervention has taken place under the Live Margate name in partnership with Kent County Council and the HCA, to stimulate the housing market and reduce the number of derelict properties.

As well as the creation of renewal areas, Thanet council have also used additional local authority powers to introduce **selective licensing** for landlords in Margate and Cliftonvillle. The licensing was first introduced in 2011 for five years, but has been extended to now cover the 2016-2021 period and covers a wider area.

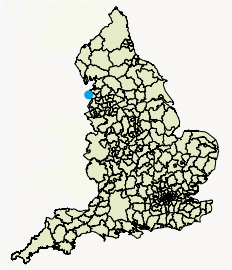
All privately let properties in the area covered are required to be licensed and must meet the council's compliance and property management conditions. The initiative is combatting low property demand and poor quality housing conditions.

Thanet council have also been working to crackdown on rogue landlords, helped by a 2016 government funded £88,000 **rogue landlord grant.** More than 300 properties were inspected, 462 warnings issued and 48 formal notices served. This builds on from the successful selective licensing initiative to identify and renovate poorly managed properties.

Thanet have also worked hard in the renewal area to bring empty properties back into use through a combination of initiatives. The council joined forces with Kent County Council in 2003, and have since brought over 1,000 **empty properties back into use**, with a current rate of 120 per year in Thanet. The council are offering **incentives to landlords** such as interest-free loans to help fund renovation costs for properties in the Margate and Cliftonville renewal area.

As a result of these interventions, there are now more safer and better-managed private sector homes in Margate. New affordable housing is being built and there has been a fall in anti-social behaviour in recent years.

While this area still has challenges, the council continues to implement housing renewal initiatives. Thanet recognise that their policies are designed to have a long-term impact. Over the next five years, the council will focus on reducing resident turnover and attracting new private sector investment.



Blackpool

Another popular seaside and conference resort where decline in tourism and employment spiralled into housing and social deprivation. With the highest number of highly deprived small areas and thousands of people in poorer quality rented housing with high benefit dependency. This is a case study on the Council's use of its powers to set up a regeneration company, attracting extra investment, to buy, repair and re-let rented homes.

Blackpool Council

Council owned housing regeneration company

Buying / refurbishing run down properties

High quality lettings service

A new regeneration approach for Blackpool

In the autumn of 2015, Blackpool Borough Council established a **new regeneration vehicle** called Blackpool Housing Company Ltd as a commercial venture within the private rental sector to address social and economic issues or challenges.

The private rented sector was failing in Blackpool. Tenants were spending far more per year for rented accommodation than the equivalent market price for outright sale properties. The rented housing stock was outdated and poor quality.

The decline in tourism and employment – a common trend in North Lancashire seaside resorts – led to a reduction in demand for housing and underinvestment in good quality properties. The rented sector further suffered when former holiday homes and guesthouses were poorly converted into inadequate residential properties, which the council believes has been a major driver of social deprivation.

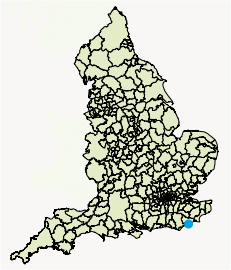
In Blackpool, an unprecedented 80 per cent of households in the private rental sector are claiming housing benefits, compared to the 30 per cent national average. Arguably, landlords have had little incentive to invest in the properties that they are letting out, knowing that their tenants have little choice but to stay, and the government will continue to fund disproportionately high rents.

7,000 households live in privately rented accommodation in the coastal town (more than 50 per cent of the population in the affected areas).

To tackle this problem, **Blackpool Housing Company is acquiring thousands of desolate and poor quality homes. The council is operating a full lettings and management service to residents, under the My Blackpool Home.** The company aims to improve the quality of homes in the area, and offer an affordable option for residents in the private rental sector. An example includes the acquisition of the Malibu and Astoria hotels – one was left derelict and the other was a 'party hotel' – which Blackpool Housing Company have refurbished and reconfigured. The company is able to invest in ways that the council cannot, and can manage and let properties with a commercial outlook, which has improved the viability of the service, allowed the company to be self-financed and increased the likelihood of having a longer term impact, as rents are funding acquisitions and providing long term cash-flow.

The initiative is also proving to be good value for money for the council, as there has been no grant funding required, and the company have been able to secure a £27m low interest loan from the Lancashire Growth Deal. On top of this, the company has now acquired enough properties to increase their asset value to £2m.

Over the next four years, Blackpool Housing Company hope to have acquired as many as 1,000 homes for the rental market by investing over £25m, which will be available to rent directly from their website at affordable rates. In the future, it is hoped that Blackpool Housing Company will be a housing delivery enabler for private investment and development opportunities in Blackpool, and will show its ability through managing a major development in Blackpool on behalf of the council. At present, though, it's clear that Blackpool Housing Company are setting the standards for the private rented sector in Blackpool.



Hastings

This friendly fishing and arts resort has pockets of housing-led deprivation. This is a case study of the use of market renewal and other powers to turn around failing private rented housing.

Hastings Council

Market Renewal

Selective Licensing

Buying / refurbishing run down properties

Dedicated Housing Improvement Team

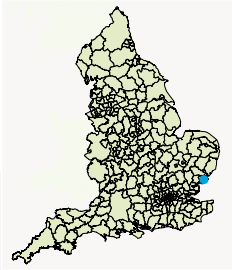
Housing Market Renewal in Hastings

Hastings council have an ambitious **housing-led regeneration strategy.**

In 2003, Hastings used its local authority powers to turn St Leonards into a housing renewal area. This was in response to the town's sub-standard housing stock and number of empty properties. Since then, the council successfully renovated and re-occupied 600 **empty properties** between 2003-2013.

Like many coastal towns, private rental numbers were disproportionately higher than the national average. The housing stock was old and dense, and maintenance costs were very high because many properties in the area were not designed for multiple occupant households. The council suggests that in 2015, 64 per cent of all multiple occupant privately rented homes failed the Government's Decent Homes Standard. With this is mind, Hastings council successfully reapplied to extend the renewal area period from 2013 until 2018. There is a **dedicated housing improvement team** specialising in supporting the housing renewal area.

The council believe that it is housing-led initiatives which will support regeneration and rebalance the housing market in Hastings. By extending the housing renewal status of St Leonards, the council have been able to **buy and improve poor quality housing** and to combine this with other programmes of support to drive up standards, such as strict **landlord licensing.**



Tendring (Jaywick)

Once presented as the poster child for seaside deprivation and benefit dependency, Jaywick Sands new coastal village is rising up. This case study showcases the work of the Coastal Communities Team: the inspirational work of residents, councils and other public bodies to shape and deliver coastal renaissance. Jaywick Sands New Coastal Village will secure up to 950 new homes together with jobs and local economic growth.

Tendring Council

- Council buy land for new homes
- Continuous resident engagement
- Securing private sector investment
- Dedicated Coastal Communities Team

Tendring Council – Jaywick Sands Coastal Communities Team

Jaywick Sands is part of the coastal village of Jaywick near Clacton in Essex. Many of the houses that make up Jaywick Sands were self-built holiday chalets from the 1920s and 1930s. Over time, these were gradually taken up as permanent homes. Over the years the quality of the homes has continued to deteriorate and this has contributed to a high incidence of poor quality private rented housing. Some streets have more than 80% private renting supported by benefits.

Jaywick has plenty of active, engaged and positive residents who are heartily sick of seeing their area presented as the poster child for seaside deprivation and the benefit culture. **Community engagement** work has been supported by **charitable funding** by the Big Lottery and organisations such as the Rank Foundation.

Seeing that a housing led solution was needed to the housing challenges of the area, the **Council bought up a large amount of land, around 30 acres,** for new housing, **using the council's own money.**

In March 2015 community leaders, local politicians, the council and other interested parties came together under the Government's original **Coastal Community Team** pilot programme. There is a dedicated member from the Department for Communities & Local Government working on the Jaywick Sands Coastal Community Team together with representatives from the Homes & Community Agency, the Environment Agency, Essex County Council and other public bodies.

The CCT has worked to develop a funding and change model to harness the energy of residents and the council to attract new investment to the area, looking at radical solutions to drive **serious private sector financial investment** and creating an environment to encourage **landlords to invest** and rebuild their properties in order to regenerate in the area, empower and reward active residents and improve life chances.

The result has been the development of the Jaywick Sands New Coastal Village which is driving housing and social renewal alongside a major building opportunity of up to 950 new homes. The Jaywick Sands New Coastal Village programme is ambitious and will be transformative. Harnessing money, skills and local passion for change.

New housebuilding and housing investment to build local economic prosperity

Policy Snapshot

When areas become 'deprivation hot-spots', they can become housebuilding 'not-spots', places where traditional housebuilders and developers simply don't want to build and traditional investors and financiers don't want to invest. However, there are experienced developers and regeneration experts as well as emerging social property fund investors who want to support housebuilding and who want to improve private rented conditions in order to make the change in deprived areas. There are some housebuilders, local and national, who are committed to social renewal and change.

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It is recommended that

A one-stop shop is created by extending housing renewal powers and providing guidance on what is permissible, and what is possible, in order to drive local renewal and growth

The one-stop shop would provide a single and over-arching administrative process whereby councils can develop, consult on and then implement relevant powers and actions on housing quality, planning, new housing, growth and tenancy management within a specific housing renewal area. The housing renewal procedure requires a beginning, an end, an implementation strategy, a plan for financing and consultation across all land and resident interests that would be affected

Guidance is extended and updated on disposal of land, investment and borrowing powers

Renewal councils are provided with greater flexibility to flex tenure, manage planning and hold property outside the Housing Revenue Account, for example where they would be doing so in order to create a portfolio to be externally financed and/or managed and to have flexibility on related Housing Revenue Account headroom increases to support renewal aims.

A Fair Value Rents Regime

Policy Snapshot

Too often tenants and taxpayers alike overpay for housing which just isn't worth the rent being charged. Too often rents are too high because they are underpinned by benefit rent allowances which are excessive for the location and quality of the property. With a benefits driven cash flow bonanza, advertisements of 9%-15% returns, and little or no incentive for landlords to invest in the long term capital value of the property.

Policy Recommendations

It is recommended that

A time limited local application of a fair value rents regime is introduced. This would set, by law, a locally assessed fair value rent for the property reflecting the location and quality of the property, within the existing local housing allowance (rent benefit) envelope

Applying a modern fair value rents regime reflecting quality of condition and management of property would be expected to have the economic effect for taxpayers and tenants of adjusting markets where rent levels are defective. At the same time it would reward landlords who invest in better quality properties and appropriate management standards

The proposal rewards those landlords who invest in their properties and look after their tenants

The renewal period would create a window to repair the most extreme economically dysfunctional housing markets where rental markets have warped and damaged ordinary capital values for homes.

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About The Housing & Finance Institute

The Housing & Finance Institute works as an accelerator hub, to increase the speed and number of new homes financed, built and managed across all tenures.

- We support councils increase housing supply through new partnerships and finance models
- We support new and smaller businesses along with established businesses with an appetite to do more
- We develop skills, capacity and relationships
- We improve the understanding of development finance and risk
- We promote new business and finance models, techniques and methods for housing delivery
- We identify and promote development opportunities
- We assist with problem solving role across local government, central government and businesses

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