SUSTAINABLE URBAN NEIGHBOURHOODS NETWORK (SUNN)

LESSONS AND ACTION POINTS FROM GRAND UNION VILLAGE, NORTHOLT, LONDON

September 2011
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Report of the Grand Union Village, Northolt Event
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INTRODUCTION

The seventh meeting of the Sustainable Urban Neighbourhoods Network took place in Grand Union Village on a late summer day. The meeting took place in the community centre, which is run by the GUV Community Development Trust (CDT). Chair John Hocking explained how the meeting was very timely given the debate over the National Planning Policy Framework and the wider issues of promoting community cohesion and avoiding urban sprawl. New homes have become quite unaffordable, while strong criticisms had been made in a new RIBA report of the very small space standards that developers were providing, and which could be exacerbated by the changes in the Benefit system. We may have to look abroad for creative inspiration in addressing some of the current challenges in development, which is why the final meeting of the network will be a study tour to new settlements in the Netherlands.

The meeting started with presentations on what Grand Union Village had achieved, with views on how a large scheme like GUV would be approached in today’s market, from Paul Boulter, Technical Director for Taylor Wimpey, the site’s owner and developer. After walking round the development we also heard from Pat Hayes, Executive Director Regeneration & Housing for Ealing Council, which covers two-thirds of the site, and who are promoting the regeneration of the adjoining Council estates. The workshops in the afternoon focussed on the main messages from the network as a whole, and what could be done to improve the economics of development and make housing more affordable.

Particular interest was expressed in how the village was managed, and the role and funding of the CDT. Major concerns were raised over how the
resident mix had changed since the development was planned, mainly an unexpectedly large number of ‘buy-to-let’ rented flats, and problems with parking provision, which seem to afflict every new development within SUNN. There were also issues over how developments should relate to the surrounding open space, and how character can be developed and maintained when densities are quite high.

The visit also brought out the issues involved in developing new communities in relatively disadvantaged areas, where property values are low. The workshops identified a range of practical actions that could be taken, but also the difficulties of achieving higher standards within the prevailing culture and business models.

LESSONS FROM PRESENTATIONS AND STUDY TOUR

Origins
Paul Boulter explained the history of the site’s development and the current situation. Taylor Woodrow, had owned the site since 1942. It became their UK headquarters and employed 1,400 people. Through the 1980s and as the strategy of the company changed, the site became under-used and presented itself as a development opportunity. The 54 acre brownfield site adjoins the Paddington Arm of the Grand Union Canal, and looks out on one side to a country park. As well as offices, the site was used to store construction materials and plant, as well as a testing centre with small manufacturing capability. The site’s former industrial use meant it was heavily contaminated. The site straddles the boundary of Hillingdon and Ealing, and though it is on a busy bus route, is some distance from railway and tube stations.
Planning
The process of development was seen as a model for the time. Following discussions with the councils it started with a community planning weekend in 2000, which attracted 260 nearby residents. A vision was agreed that opened up the canal, and that would provide shops and other community facilities as well as new homes and workspaces. There were no objections as the area had been closed off before, and the scheme was expected to lift an area that had become run-down and suffered from deprivation. The outline planning application was approved in 2002. A big clean-up followed over the next two years, including on-site ‘bioremediation’ of contaminated soil.

Design
The first residents moved in 2004. The original plan was to build 705 homes, and to reuse the office block for employment purposes. This was subsequently increased to 962 homes through a request for higher densities in later phases. The old office block has been demolished and the land redeveloped as Phase 12 (the final one), after it had proved unfeasible to attract employment uses. 35% of the units were to be affordable, managed by Genesis and ASRA Housing Associations. A significant number of the properties were bought through equity sharing, and when the original residents moved in getting a mortgage was relatively easy.

Efforts have gone into making the village look appealing from the main road running by the site, with landscaped areas and curving blocks, with a direct link through to the canal. The concept of developing a village included landscaped open spaces, shops, a crèche, restaurant, and a health centre, which serves the wider area. The densities vary, with larger homes on the edges looking out over green space, and with the highest densities around the marina. The community facilities are close to the marina, and there is also a large community centre. A site was allocated for a commercial leisure centre,
but this has not yet attracted any interest. Access to the country park is cut off by a fence.

Community Development
To help develop a sense of community, the CDT was established with a board that includes resident representatives, local councillors, Taylor Wimpey and housing association representation. Taylor Wimpey provided a total of £155,000 to initiate the trust, including provision of a substantial community centre (under flats) with 550m² of space let to the trust on a long lease. Genesis Housing Association made a one-off payment of £100,000 on behalf of their tenants.

The Trust has a full-time administrator and has a fixed income of around £18,000 a year through its allocation of £20 of each annual service charge. A larger amount comes from rentals of the space which covers the running costs of £46,000 pa. In 2010 there were over 100 events in the community centre. The Trust also promotes a Summer ‘Fun-day’ as well as seasonal events, a newsletter and its own website (www.guvcommunity.org.uk) to let people know what’s on.

The Trust has established four working groups - to encourage participation in environmental measures such as recycling and gardening, social and educational initiatives, such as getting young people into work, and transport, and for example there is a car share club, and cycling is being promoted. One deficiency is that older people whose children have left home have not been attracted to live there, so that the community is unbalanced in that way. In terms of developing a ‘sense of community’, the administrator of the community trust notes that it is quite challenging because both residents in private rented property and in ‘key workers’ accommodation tend to be relatively transient and thus lack any long-term interest in the estate.
An additional community facility is the health centre, which brings together a number of general practices in one building, as well as providing day care facilities. It is housed in the most striking building on site, though the arrangements for access seem problematic, as it is off the main road, and only 19 parking spaces were planned.

**Transport**

A Section 106 agreement worth £6 million was negotiated, mainly to cover education provision and transport measures. The scheme provides substantial underground parking, with gardens above, but residents prefer to leave their cars in the street and on the pavements. Many of the homes for sale were bought by investors, so the proportion of rented homes is actually much higher than intended, perhaps two thirds of the total, and this leads to even more cars, where several tenants of the same flat or house each own a car.

With most residents using cars to get to work, requirements have outstripped capacity, and this is a cause of dissatisfaction. To cope with the problem, Trinity Estates who manage the private housing areas, are introducing a parking scheme with permits in nine distinct zones, set out in an illustrated booklet *Everything you need to know about parking in Grand Union Village*. The GUV Parking Scheme has been pulled together and designed by Taylor Wimpey’s travel plan co-ordinator, whose employment is a S106 commitment. Rights to park are set out in leases on the private flats, with one space per household or less (with the parking ratio on Phase 12 of the development set at 0.7). Efforts are being made to remove abandoned cars, and to encourage better use of undercroft parking by making it feel safer.
Energy and Running Costs
The scheme was designed to meet Lifetime Homes and BREEAM ‘Good’ ratings. As the 10 phases of development completed, Eco Homes ‘Very Good’ was required for phase 11, along with 10% renewable energy. The last phase (Phase 12) is aimed at Code for Sustainable Homes Level 3, with 20% of the energy coming from renewable sources. An innovative feature was recycling of 90% of materials requiring decontamination on site. This not only saved 20,000 lorry trips, but also cost £900,000 less than conventional methods. The spoil from opening up a marina has been used to create a mounded sports surface on the edge of the site.

The scheme is built to relatively high densities (40 to the acre gross, compared to 12 to the acre for traditional suburbs). While this should keep energy costs down and support better facilities, it does require a higher degree of maintenance and management. Residents acquire their property on leases. The service charge works out around £1,500 a year for a two bed unit, plus a further £200 to cover the maintenance of the roads, some of which are not adopted. Trinity has found that good maintenance encourages good behaviour, and the estate appears well looked after.

The scheme has particularly appealed to young families, as there are schools and other facilities within walking distance and a crèche on site. The new health centre is particularly appreciated. However its location draws in more cars, adding to the problems of movement and parking in the village.

Economics
Though Ealing and West London include some of the most prosperous areas in the country, the site lies in an area that was developed in the 1930s with light industry, some semi-detached homes, and council estates. Greenford Broadway Ward, in which the Ealing Council section of the Village is located, now counts among the 5% most disadvantaged areas in the country, with a
high level of residents who were born outside the UK. Current house values are around £195,000 for a two bed unit of some 630 sq ft, and the values have fallen over the last couple of years. Market conditions are said to have kept completions at around 100 units a year, and a dearth of buy to let investors has slowed sales further.

Paul explained that if Taylor Wimpey were to look at the scheme now they would approach it quite differently. The payment for land would need to be deferred until units were built and sold. They would expect to have a longer development period, say 10 instead of 8 years. They would want a higher profit margin of 30% compared with 20% to take account of risk in current market conditions and a new time frame for sales. They are also being expected by their financial colleagues to secure a minimum return on capital invested of 25% whereas before this was not a factor. This means that they would want to share the risk with other developers, and make less funds available for Section 106 payments. It is also no longer feasible to fund social housing out of the margins made from private sales.

**Regeneration Context**

Pat Hayes explained how the development had to overcome a number of major problems. The site was on the edge of two boroughs, and the area was neglected, as it is one of the least well-connected places in the borough. It had been a relatively prosperous area in the 1930s-50s, but was now in a state of transition, with many industrial businesses closing and unemployment ‘stubbornly high’. There is lots of green space, but it is very disconnected, and the golf courses that follow the River Brent in fact act as a barrier to movement.

There are also great extremes in a borough of 350,000 residents, and ‘only the very rich and the poor live in estates, with everyone else living in streets’. On the plus side, Grand Union Village has had a real impact by providing new housing stock, and somewhere that looks different. It has also demonstrated scope for making
better use of the canal. There is however a problem that such places can easily become transitory dormitories, where people take little pride. Furthermore the situation is aggravated by the British (and American) tendency to treat cars as status symbols, giving rise to high levels of car ownership, rather than use of public transport or cycling.

The Council has learned important lessons from the scheme, which will be applied in future schemes such as the redevelopment of Southall Gasworks, and the renewal of large estates in Acton and across the road in Rectory Park. The lessons include the need for more attractive design, with use of colour rather than relying on brick and white stucco. Proper sized balconies rather than that ‘juliet’ balconies will improve elevations and give residents somewhere outside that they can personalise. Also GUV demonstrates that communal parking can be problematic, and Grand Union Village’s image has suffered from being perceived as a place cluttered with cars.

### Golden Transfers Scheme

Ealing Councils Cabinet meeting of 24 June 2008 introduced the concept of the Golden Transfers Scheme. The scheme’s intention was to provide incentives for tenants to maintain a good tenancy record. Before this scheme tenants could apply for a transfer, but would not have been successful without some housing need. To qualify tenants had to have a clear rent account for 12 months before application, have no record of any other breaches of their tenancy agreement for the previous 24 months and no anti social behaviour record. 10% of allocations annually have gone to Council tenants under this scheme.

More recently the Council was successful in bidding for funding to build 80 new homes within the borough. This was the first time in over 20 years that any council owned homes have been built. The new homes are spread over 4 sites and are a mixture of one, two, three and four bedroom flats and houses with some of the properties specially adapted for wheelchair use.

We used this opportunity to make better use of our existing stock. We have used most of these new homes for Ealing council tenants who are currently under occupying their home or are overcrowded. We have also provided 10% of the new lettings as part of a local lettings policy for local tenants in the same ward as the new schemes.

We have only considered tenants for these homes with a clear rent account and with no previous history of anti social behaviour. For the ground floor or wheelchair homes available we have given first priority to urgent medical cases waiting for that type of accommodation.
WORKSHOP FINDINGS

Improving the Economics of New Housing

A workshop on improving the economics of development was led by Nicholas Falk, using a checklist of ten possible measures (see Exhibit). The measures were prioritised in terms of their potential, and discussion focussed on both the areas where greatest cost saving might be made, and also on fresh ideas for creating extra value. The main opportunities were seen as reducing the cost of land, achieving construction economies, cutting financing costs (and risks), and securing better value from infrastructure.

**Checklist of Possible measures**

1. Reducing the cost of land e.g. paying for it after homes after have been occupied or resold?
2. Saving on infrastructure e.g. extending existing settlements and developing transport corridors?
3. Cutting risks and financing costs e.g. raising low rate long-term loans or municipal bonds?
4. Using development briefs or ‘quality charters’ to set out design criteria?
5. Speeding up planning and design decisions e.g. using ‘type approvals’ or simplifying approvals for experienced architects?
6. Achieving construction economies e.g. offsite prefabrication, retro or self finishing, bulk purchasing of energy systems?
7. Improving value for money e.g. Codes for Sustainable Homes, shared parking?
8. Increasing sales rates e.g. presales for market renting, greater choice of house types, different forms of tenure?
9. Valuing or lending more on home that save on running costs e.g. ‘Green mortgages’?
10. Controlling service charges through careful stewardship e.g. Parish councils and development trusts?

**Land costs** The cost of land rises as house values rise, and accounts typically for 25% of the cost of a home, though can increase to 40% in the best locations. A number of action points were identified:

- Deferring payment until the unit is occupied (or perhaps even until it is resold to benefit from land value uplift in a regeneration area)
- Releasing public land in the right locations (including not only hospitals and some defence sites, but also council owned car parks)
- Passing cost savings on to occupants (for example through different forms of tenure in which equity is shared)
• Revising valuation and disposal methods (for example following Continental practice of setting values for serviced sites as a proportion of expected sales value, and then selecting bids on the basis of quality)

• Providing serviced plots for self-build with arrangements to share any uplift in the land value.

**Construction economies** Building costs typically account for 40% of the sales price, with buildings becoming ever more complex. Nevertheless there should be scope to ‘build better, for less cost’, learning from the commercial sector and experience in other countries. Possible action points were:

• Installing communal energy solutions, tapping into big customers such as nearby health or leisure centres (the provision of heat is not covered by the rules on being able to change supplier, which enable long term contracts to be negotiated)

• Making more of the elements in the UK, for example Swedish windows and Dutch bricks

• Securing economies of scale through using prefabricated components put together off site

• Using whole life costing to work out the best option, with examples like PV panels demonstrating a different business model, where innovation and scale production drives down costs

• Allowing occupants to finish off or adapt their own units, using the kind of ‘shell and core’ approach that is common in building offices.

**Financing costs** Though interest rates have never been lower, housebuilders are not highly rated by the Stock Exchange, and have to achieve the same kinds of profit levels found in other sectors, even though risks can be much higher. We heard that builders now want margins of 30%. Possible solutions include:

• Providing the infrastructure in advance, or ‘shovel ready sites’, for example through local authorities raising the finance at lower interest rates.

• Enabling a wider range of builders to work on the same site, thus getting the investment paid back faster by offering a much wider choice

• Controlling risks by getting agreement on basic principles so there is a ‘level playing field’

• Planning and building ‘life time neighbourhoods’ so that not only would there be a better balance of people, but so that people could move when their needs or resources change without affecting the ‘social capital’ that had been built up

• Using older people as a catalyst for development (as they bring substantial equity with them, and have time to invest in community building activities).
Infrastructure investment

The need for better public transport and energy systems is going to increase the costs of infrastructure, much of which is already overloaded in most places. The Community Infrastructure Levy could be a partial solution, but should not only be imposed on the last households to move in. There is an urgent need to change attitudes and behaviour so that communities are more sustainable in every sense. Possible solutions are:

- Borrowing against the expected uplift in land values from development through local authorities promoting joint venture companies or public private partnerships (as on the Continent)
- Developing at higher densities along transport corridors or around transport nodes, which can also carry other forms of infrastructure
- Using ducts under pavements to save on both construction costs and subsequent maintenance (provided utilities can be persuaded to cooperate)
- Setting higher standards on publicly owned land, and thus developing a market for a better quality neighbourhood
- Investing in community development early on, and for example using schools or health centres as the hubs for the new settlement, and as the mechanisms for promoting a new ethos and changing behaviour
- Maximising the value of new neighbourhoods through better layout, and for example providing community gardens or allotments that are looked after by residents, rather than maintained out of a service charge.

Key Issues for SUNN

These workshops, chaired by John Low of the JRF, considered what key messages from SUNN ought to find their way into the network’s final report, which is currently being prepared.

Planning Policy

As has been said for two decades or more, sustainable development will not be achieved in England unless there is integrated planning for land use, transport and energy at all levels of society, led by such integration in the central government policy framework. A second key issue is who pays for much-needed new infrastructure, and whether we will ever as a nation, be able to have sustainable transport infrastructure in place prior to encouraging and siting new communities, so sustainable travel patterns and habits begin on day one of a community’s occupation.

There is no doubt planning needs to be streamlined and made more efficient but rather than weaken local planning processes, the NPPF should:

- Reinstate the equivalent of regional and sub-regional spatial planning, to support local initiatives by ensuring integration of land use and sustainable
transport plans. In Scotland, for example, this is accomplished by voluntary groups of adjacent local authorities clustered around main cities and towns;

- Reaffirm the value of building on brownfield land, mainly in urban extensions, to reduce the need to drive, and thus do its part to move Britain away from a ‘car culture’;
- Front-load participation in planning to the beginning or visioning part of the process and reduce the opportunities for harmful NIMBYism and manipulation of a vastly wasteful appeals process;
- Help local authorities improve their capacity for strategic planning within the local authority level, to identify clearly the best locations for new housing.

Planning in the local authority Local planning authorities need:

- Through members and officers working together, to demonstrate real leadership in visioning for the future of housing in the local authority, and in engaging with citizens so there is political support for new housing in the right locations;
- To foster opportunities for genuine participation in planning by citizens; many people will find real benefits can emerge from new development, but they must feel their views have been heard;
- When it is clear where new housing ought to go, local authorities should be in a ‘facilitating’ role to encourage local residents and house builders to work together at the master planning stage;
- To develop multi-disciplinary, ‘teamwork’ skills so that planning applications can be assessed quickly for every relevant aspect including build quality, energy efficiency and highways design. This could be accomplished by calling on virtual multi-disciplinary teams available to assist the local authority;
- Need technical capacity to promote cycling by ensuring safe routes and good facilities for cycle parking on developments.

In summary, local authorities need to demonstrate leadership, professional capacity and capacity for fostering genuine participation at both local authority and neighbourhood levels. A key problem is that the kind of dynamic engagement between local authorities and its citizens to engage in joint visioning and planning, say through ‘Community Planning Weekends’, requires a level of financial resources which may not be available in cash-strapped times.

Community development In developments with a high degree of tenure mixing, both a management and a governance structure need to be in place
to address issues as they arise, and before they degrade quality of life and property value. At GUV for example this involves management by a private agent, Trinity Estates, working for the residents’ company, and a community development trust to promote social life among residents and manage community facilities, such as a much-used community centre.

Although there was discussion of the potential for a CDT to take over site management, the GUV CDT’s Directors say they, at present, would not want to take on challenging aspects of the role, for example, the management of contentious parking provision or anti-social behaviour. That said, the CDT bridges over to management tasks through a new committee structure which covers social and educational issues including young people and event management, environmental issues including green space and recycling, transport including cycling and parking and estate management issues.

A key challenge on many mixed tenure estates is generating a degree of ‘ownership’ of housing and neighbourhood, particularly among short-term renters. In Grand Union Village, for example, a community development trust has been in place from early in the development process, but most active participants are in full or shared owner occupation, or long-term social housing. The high level of tenants in buy-to-let properties are not active and these tenancies tend to turn over every 2 or 3 years. The point was made that management of buy-to-let properties would be made easier if leasehold documentation, said to be 50 years out of date, was revised to reflect modern conditions.

A ‘proper’ private rented sector? As at GUV, a high percentage of ‘buy to let’ flats in any development can result in transient, less committed residents, compared to those in owner occupation. In that sense ‘buy to let’ is considered a problem. But there are also strong arguments for provision of opportunities for private renting, including easy labour mobility, provision for younger adults and those who can’t afford to join the housing ladder, and provision for elderly residents who may wish to free capital tied up in housing to improve their quality of life.

Unfortunately, for too long, Britain has fostered home ownership as the only, best tenure compared to other options. Given the price of housing in London, it might be time to consider developing well-designed, well-managed rental accommodation on a commercial basis. There are the beginnings of such a movement in student accommodation and, to an extent, accommodation for elderly persons, but not yet attention to the potential for private renting to be a mainstream tenure choice in new build accommodation. Certainly large, well-
Managed private rented blocks are common in other countries, such as Germany and Canada.

**Energy efficiency in housing** There is evidence from a number of SUNN communities that the Government’s drive to promote energy efficiency is not well thought-through and may have serious negative consequences. With the best intentions, and in a bid to achieve Code 4, for example, house builders and RSLs are installing over-complicated technological solutions which are expensive to source, expensive to run and difficult to maintain without costly intervention by specialist contractors. They can add £30,000 or more to the build cost.

While volume house builders can encourage sales through other discounts and attractive offers, when properties come to be re-sold, sellers find the market is restricted by the high cost of use and maintenance. Similarly, for the same reason, RSLs are having to charge management fees in excess of their tenants’ ability to pay. Evidence from SUNN also suggest that the energy savings in costs sometimes don’t outweigh the cost of operation and maintenance, nor is there sufficient evidence that the ‘embodied energy’ in the production process has been analysed to determine if these technologies are genuinely reducing carbon emissions.

SUNN members suggest there is a failure of policy and a failure to sufficiently test new technology under rigorous field conditions – with some assessment of the life-time cost-benefit ratio of new technology, including the likely impact on service charges. They suggest that operating and maintenance *simplicity* should be a key characteristic of energy saving technology.

**Design of the Housing Site** Discussants made a similar point with regard to site design – that the initial design, for example, of public areas and communal streetscape should explicitly consider the long term management and maintenance costs of the design, to ensure that service charges can be held down. This is particularly important, as at GUV, when local authorities no longer readily adopt green spaces as public spaces. This puts their maintenance bills on residents, possibly in perpetuity.

This also raises issues of whether residents in new developments get value for money from their council taxes – particularly as in future it will be local authorities collecting the ‘New Homes Bonus’ in lieu of the s.106 benefits, many of which accrued to local residents.
On-Site Parking Although parking problems at GUV, and at most SUNN neighbourhoods, have been much discussed, the discussion reaffirmed the need to plan carefully for every aspect of parking provision and cost from the earliest stages in site design. Of course, the low levels of parking provision at GUV (less than one space per unit across the site as a whole) were dictated at a time when Government assumed that if it caused developers to provide less spaces, people would buy less cars. This might well be true within easy walking distances of rail transport hubs but clearly not true at site such as GUV where Greenford tube and rail station is 15 minutes by bicycle and 20-25 minutes (or more) by bus.

SUNN experience is also that innovative approaches to parking, such as in courtyards or undercrofts, have proved very unpopular. Although ‘continental style’ parking provision, such as car barns on the periphery of the site, have their attractions to professionals, it was stated that most British householders want to own two cars and ‘park them in sight of their front door’. Clearly that cultural preference needs to be tackled if creative provision of car parking is to be possible. At minimum, the entire parking management scheme, however designed, needs to be in place before any sales commence.
APPENDIX A – LIST OF DELEGATES

Richard Armitage, Richard Armitage Transport Consultancy
Mussa Awaleh, Grand Union Village Community Development Trust
Paul Boulter, Taylor Wimpey
Cathy Bowyer, Grand Union Village Community Development Trust
Michael Carley, SUNN Team
Nicholas Falk, SUNN Team
Cllr Mike Galloway, Milton Keynes Council
Jane Green, South Cambridgeshire District Council
Pat Hayes, Ealing Council
John Hocking, Joseph Rowntree Housing Trust
Nigel Ingram, Joseph Rowntree Foundation
John Low, Joseph Rowntree Foundation
Jo Mills, South Cambridgeshire District Council
Keith Morgan, Chichester District Council
Diane Spencer, Genesis Housing Association
Janet Sutherland, John Thompson & Partners
Gary Tarrant, Trinity Estates
Rachel Underwood, Bedfordshire Pilgrims Housing Association
John Watts, Trinity Estates
Claire Winterflood, Claire Winterflood Associates
Cllr Tim Wotherspoon, South Cambridgeshire District Council
Anne Wynde, SUNN Team