

case study 5

Gateshead Council – using local assets to back regeneration and housing development

Innovation topic: Local authority led partnership to develop new mixed-tenure homes

Summary

- Gateshead Council has established the Gateshead Regeneration Partnership, a £350 million local asset-backed vehicle, to deliver over 2,000 new homes over a period of 15-20 years.
- The model adopted by the Gateshead Regeneration Partnership is based on the Council putting forward its land assets to allow the partners to secure private finance.
- The sites allocated to the Gateshead Regeneration Partnership will be developed in multiple phases, with groups of three or four sites bundled together to create balanced development packages, in which sites with positive land values will cross-subsidise those sites with negative values and so ensure development across the entire bundle.
- Council-owned land has been designated for a new housing area – the Exemplar Neighbourhood – around the town centre. The Council's intention is that this neighbourhood will demonstrate development best practice and set an example for other sites and developers, and act as a catalyst for the regeneration of central Gateshead.

'The partners have come together to share their expertise and resources, which will result in thousands of homes for people throughout the borough, whether they want to buy outright, rent or prefer shared ownership. Just as importantly, the project will help to grow our economy, regenerate neighbourhoods and create thriving communities.'

Councillor Liz Twist, Housing Portfolio Holder, Gateshead Council

Introduction

Gateshead is a large town located on the south side of the River Tyne, in North East England, with a population of 200,000. Like many northern settlements, the town is still dealing with the legacy of its industrial past, with pockets of unemployment and poverty. While central Gateshead has undergone significant change in the last 15 years, with the creation of new homes, offices and cultural attractions such as the Sage Gateshead concert venue and musical education centre and the BALTIC Centre for Contemporary Arts, the inner urban area suffers from low land values and struggles to attract private investment for regeneration.

Within this inner Gateshead urban area, housing supply is dominated by high-density Victorian terraces, Tyneside flats and terraces of two-storey maisonettes with street-level front doors. Brownfield sites are available for development

to meet housing need, but many are contaminated and have viability issues. In order to tackle these problems, the Council has established the Gateshead Regeneration Partnership.

Housing and planning context

The Core Strategy and Urban Core Plan for Gateshead and Newcastle upon Tyne 2010-2030, adopted in March 2015, sets out the need to plan for approximately 30,000 new homes in Gateshead and Newcastle over the plan period. Of these, 11,000 are planned for Gateshead, and the Core Strategy provides an outline for the housing market interventions planned, including the role of the Gateshead Regeneration Partnership. It also sets out the intention to improve the environment of existing neighbourhoods by addressing problems that include poor-quality housing. The Core Strategy outlines locations for housing growth, with



Communal gardens for new housing in Saltwell, Gateshead

priority given to the use of brownfield sites to support regeneration programmes and make efficient use of land and infrastructure. However, it also acknowledges the need to remove sites from the Green Belt to address deliverability constraints in the short and medium term.²⁶

The Core Strategy outlines the impact of the present state of the economy, the limited availability of housing finance, the necessity for demolition, and the lack of deliverable housing sites. It also sets the requirement for a proportion of 15% affordable homes to be built on all developments of 15 or more dwellings, subject to development viability.

How is it innovative?

The Gateshead Regeneration Partnership was formed in March 2012 between Gateshead Council and Evolution Gateshead, itself a partnership between Home Group and Galliford Try. Home Group has a strong presence in Gateshead, and currently manages 1,725 affordable homes in the town. The purpose of the Gateshead Regeneration Partnership is to ensure that the Council is 'less reliant on central

government funding, and can develop some important regeneration sites that will greatly improve the choice of homes available to people wanting to live in Gateshead'.²⁷ A quarter of the homes delivered will be affordable, through shared ownership and social housing. The Partnership is bundling together sites of varying quality into packages, to ensure that all available land is regenerated rather than just the prime sites.

In addition to building homes, the Gateshead Regeneration Partnership public-private joint venture will support the wider regeneration objectives of the Council and its communities, including promoting economic development, increasing local employment opportunities, raising sustainability standards in residential dwellings, and improving design standards.

Its first project comprises 370 homes over five sites, of which two are complete and two are under way on site, with a planning application being prepared for the fifth. Over 120 homes had been built by early 2017. The first phase was a small affordable rented scheme of 16 homes, followed by a larger open-market site of 47 units

Notes

26 *Planning for the Future. Core Strategy and Urban Core Plan for Gateshead and Newcastle upon Tyne 2010-2030*. Gateshead Council/Newcastle City Council, Mar. 2015. https://www.newcastle.gov.uk/sites/default/files/wwwfileroot/planning-and-buildings/planning-policy/planning_for_the_future_core_strategy_and_urban_core_plan_2010-2030.pdf

27 See the Live Gateshead Love Gateshead Joint Venture 'Project' webpage, at <http://www.gateshead.gov.uk/Building%20and%20Development/LiveGatesheadLoveGateshead/JointVenture/Project.aspx>



New housing development in Gateshead

in the south of the borough. Larger sites followed, including 99 homes on brownfield land close to the town centre, set to be completed in 2017, and 147 homes on Birtley Northside, due to be completed in 2020. The first bundle of sites was built to Code for Sustainable Homes level 4 and Homes and Communities Agency space standards, and high standards will be maintained in future bundles.

One of the key sites in the Council's portfolio is the Exemplar Neighbourhood, where the objective is to demonstrate development best practice and set an example for other sites and developers to follow, and act as a catalyst for the regeneration of central Gateshead.

A supplementary planning document for the area was adopted in July 2013, and the site has a specific policy section in the Local Plan. Two of the five development cells within the Exemplar Neighbourhood are allocated for the Gateshead Regeneration Partnership.²⁸ The area was designated a Housing Zone in 2016, which provides access to central government funds.

Notes

28 *Exemplar Neighbourhood. Supplementary Planning Document (SPD)*. Gateshead Council, Jul. 2013.

<http://www.gateshead.gov.uk/DocumentLibrary/Building/PlanningPolicy/SPD/Exemplar-Neighbourhood-SPD---June-2013.pdf>

29 Written Submission from Home Group to the House of Commons Communities and Local Government Committee Inquiry on Financing of New Housing Supply, Oct. 2011.

<http://www.publications.parliament.uk/pa/cm201012/cmselect/cmcomloc/1652/1652we28.htm>

Lessons

This type of project requires corporate-wide support and prioritisation, with input from a range of professions across the local authority, particularly during the procurement and legal agreement stages. The Gateshead Regeneration Partnership also relies on the formation of, and constant care for, strong relationships between the various stakeholders involved – as one of the partners has noted: 'Much is down to individuals and strong personal relationships the ability to get on but also the ability to be able to challenge and change without damaging the relationship (obvious but very true) – attitude is everything and the will to make things work.'²⁹ A key lesson is that joint ventures work well when there is the will on all sides to share long-term risk and reward, rather than seek immediate returns and short-term gains.

Contact

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