



How can councils become
social housing entrepreneurs?

Project partners and sponsors

Future of London

Leading the project and bringing expertise in research, facilitation and knowledge of the housing sector.

Sheridan Development Management

Contributing development expertise and industry knowledge.

calfordseaden

Bringing skills and knowledge of innovative solutions in property and construction.

SHERIDAN DEVELOPMENT MANAGEMENT

Bugler Group

Providing practical and expert insights from housing development and construction experience.

British Property Federation

Offering national property sector perspective and policy context.



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Background

Why now?

Local authorities face unprecedented pressures as they work towards the national target of 1.5 million homes by 2029 in an extremely challenging operating environment.

Councils need confidence, evidence and inspiration to try new approaches, harness internal skills and capabilities, and build new models and partnerships that help to derisk development and overcome persistent barriers.

Future of London's work with 60+ member organisations shows how councils continue to deliver despite rising costs and stalled programmes. To build homes at scale and pace, we must share, celebrate and replicate what works.

This research explores how entrepreneurial councils can scale up delivery, drawing on innovative practice from London and the South East.



“There’s nothing that councils haven’t done before in terms of innovation. How can we get to that point again?”

Janice Morphet, Visiting Professor, UCL Bartlett School of Planning

What are the operating conditions?

Unprecedented housing demand: there is a well-documented shortage of affordable and social housing, and a crisis in temporary accommodation. *Traditional delivery models have often proven too slow or inadequate to meet housebuilding targets.*

Construction costs: the price of labour and materials has grown significantly in recent years, affecting viability.

Internal skills and capacity: local authorities face strained resources in a tough market. Technical and financial skills do not always match the level of ambition.

Reduced government funding: budgets have been heavily cut and councils are now forced to find new revenue streams and capital.

Limited access to grant funding: grant funding is limited and competitive. The lifting of the Housing Revenue Account (HRA) borrowing cap in 2018 gave councils more freedom to borrow and build. But this also means they need to be financially savvy.

Legal and policy changes: councils now also need to meet stringent new regulatory requirements in building safety and sustainability.

Need for greater control: councils want more control over housing because they understand local needs best. Some models set up to deliver new housing, such as local authority housing companies, have failed in several high-profile cases, so progress has been stifled or even reversed.

Why should councils be entrepreneurial?

Entrepreneurialism means solving real problems creatively, not taking a risk for its own sake.

The concept of the entrepreneurial state, developed most notably by the influential economist Mariana Mazzucato, challenges a widely held view that the public sector should only fix market failures and instead leave innovation to the private sector alone.

In fact, she argues, the public sector often invests early when risks are too high for private companies, acting as a risk-taker and market shaper, not just a 'market fixer'. The inherent strengths of the public sector to **deliver with purpose** are a key foundation.



"Success breeds success – from the private sector perspective that means knowing who has the kind of leadership that can really drive innovation."

Kate Butler, Assistant Director (Real Estate), British Property Federation

What is an entrepreneurial council?

For a council, being **entrepreneurial** can mean taking **proactive, innovative and risk-aware steps** to create better value and outcomes for residents, including:

- **Establishing partnerships** with private sector developers, housing associations and other organisations, especially to share risk and expertise.
- **Developing and operating new services or companies** that can also build homes and sell services within the council or to other councils.
- **Investing in publicly owned assets** to generate income and deliver more homes alongside wider social and economic benefits.
- **Restructuring or optimising internal systems** including procurement and harnessing digital or social innovation tools.



“Councils have to tread a really difficult balance – they have a civic responsibility to be prudent with public money.”

Adunni Adams, Assistant Director of Development and Sales, Watford Community Housing

Project methodology

Project aims

We aimed to highlight where public sector innovation and entrepreneurship in London and south east England have unlocked the building of new homes, and what other councils can learn from these approaches. The following four themes form the structure of our findings that follow:

- **Entrepreneurial mindset:** what does it mean for council housing teams to be entrepreneurial?
- **Cultures & competencies:** What mindsets and skills are needed?
- **Systems & models:** which tools at councils' disposal can kickstart housebuilding?
- **Effective partnerships:** How can partnerships deliver optimal social and economic benefits? And what are the ingredients of successful partnerships?



Project activity

- A roundtable discussion at the Royal Institution of Chartered Surveyors in London, with housing directors, private sector partners and other experts.
- Qualitative research interviews with borough officers and directors in London and the South East.
- Engaging with industry experts and consultants, including our partners.
- Drawing on extensive knowledge of Future of London's housing research, network and training programmes that address the day-to-day challenges of public sector housing professionals.



Research

Identify innovative housing delivery.



Interviews

Gather insights from key professionals.



Roundtable

High-level discussion.



Report

Publish practical guidance.

Which councils and public bodies were involved?

- Barnet Council
- Cambridge City Council
- Croydon Council
- Ealing Council
- Eastleigh Borough Council
- Gravesham Borough Council
- Greater London Authority
- Hammersmith and Fulham Council
- Haringey Council
- Herts Living (wholly owned council housing company)
- Places for London (Transport for London's property company)
- Richmond and Wandsworth Councils
- Southwark Council
- Watford Community Housing (housing association partnering with Watford Borough Council)
- Westminster City Council



Key findings

This section summarises some of our overall findings from interviews and the roundtable discussion.

What are the challenges?

As well as funding, some of the key challenges identified by councils in the research include:

- **Resource and capacity:** lacking internal resources, skills and capacity (including financial) to manage housing projects effectively.
- **Quality vs. quantity:** balancing the need for high-quality, safe and sustainable homes with the pressure to deliver at scale and at pace.
- **Risk:** ensuring risks are properly managed throughout the project lifecycle.
- **Procurement:** selecting the right contractors and managing the procurement process effectively.
- **Trust and coordination:** ensuring effective coordination and communication between stakeholders.



What tools work?

What are some of the systems, tools and processes that entrepreneurial councils are using to respond to these challenges?

- **Purchase guarantees:** providing purchase guarantees to developers to secure bank funding.
- **Open collaboration:** engaging openly with developers to understand their problems and offer tailored solutions.
- **Loan provisions:** offering loans to developers to address cash flow issues.
- **Investment partnerships:** forming partnerships with private sector investors to deliver housing projects.
- **Collaborative partnerships and joint ventures:** encouraging collaboration, risk-sharing and combining expertise between public and private sectors.
- **Thorough due diligence:** conducting extensive due diligence on sites and designs before tendering.
- **Mixed-use development:** redeveloping sites to include office space, schools and other social infrastructure alongside housing.
- **Using assets to deliver social value** and better social and economic outcomes.

What people and team cultures are needed?

- **Purpose driven:** putting long term social value and outcomes at the centre of decisions
- **Comfortable with managed risk:** understanding and communicating risk clearly rather than avoiding it
- **Financially confident:** understanding viability, budgets and trade-offs
- **Politically intelligent:** building confidence, trust and alignment with elected members of all parties across changing administrations
- **Partnership minded:** nurturing open, transparent relationships with communities, housing associations, developers and neighbouring boroughs
- **Curious and creative:** willing to explore new models and challenge traditional delivery norms
- **Collaborative:** sharing skills, learning and capacity across departments and with other councils and partners
- **Resilient and adaptive:** able to navigate uncertainty, shifting markets and complex governance environments
- **Professionally diverse:** valuing multidisciplinary expertise and lived experience
- **Design aware:** understanding buildability, quality standards and long-term maintenance implications

What supports successful delivery?

Entrepreneurial mindset

Strong leadership helps councils take informed risks. Sharing evidence of what works builds confidence and strengthens alignment between elected members and officers.

Cultures & competencies

Councils need the right skills and diverse technical and financial talent to seize opportunities: especially partnership working and commercial awareness. Investing in internal capacity and encouraging cross-departmental collaboration are essential.

Systems & models

Understanding the full range of delivery tools – and when to use them – is key. The tool is never the goal: the right model depends on the challenge. Be open to creative approaches with the private sector.

Effective partnerships

Long term, values-led partnerships focused on social value, placemaking and sustainability perform best. Shared goals and open communication help reduce risk and enable genuine collaboration.

Share the evidence of what works. It builds the confidence decision-makers need to back new approaches – and creates the conditions for successful, low-risk innovation.

Entrepreneurial mindset

- **Think long term:** consider the long-term usability and maintenance costs, investing in areas that provide the most value over time.
- **Think means to an end:** explore how to deploy different strategies and approaches to achieve the outcomes.
- **Focus on social value:** integrate social value into procurement and development processes to ensure projects deliver wider social and economic benefits.
- **Share resources and knowledge:** collaborate across authority boundaries and with other council to share skills, knowledge and teams.
- **Be flexible with planning policy:** adapt planning policies to be more flexible and responsive to market needs and project specifics.



“We set a strong vision and standards for quality, creating a kind of excitement, which really helped bring people along the journey.”

Anna Blandford, Interim Assistant Director of Regeneration and Economic Development, Haringey Council

Cultures & competencies

- **Build strong relationships with politicians:** ensure consistent and cross-party support across different political administrations for long-term vision and stability.
- **Invest in financial literacy:** provide ongoing training and resources to improve financial literacy among council staff, ensuring they understand and own their numbers.
- **Create inclusive and innovative teams:** develop teams with a mix of experienced and multi-disciplinary professionals and new talent, including those with lived experience in social housing.
- **Embed design and construction skills:** integrate these skills within the council teams and/or bring in contractors early to ensure projects are well-designed and buildable.



"We have good cross-party relationships. That's helped us take a long-term view in how we deliver projects entrepreneurially."

Susanna Morales, Head of New Build, Barnet Homes Ltd



Systems & tools

- **Manage risk proactively:** develop strategies to manage and mitigate risks throughout the process, including financial, procurement and governance risks.
- **Adopt different procurement models:** use creative procurement processes that allow for flexibility and adaptability throughout the project lifecycle.
- **Utilise “municipal muscle”:** proactively use and adapt mechanisms at councils' disposal, such as compulsory purchase orders, where needed.



‘One entrepreneurial way of improving systems and outcomes would be to bring the design team and building contractors together on day one, as opposed to procuring the latter down the line. There's so much to be learned from your contractor partners about the buildability, efficiency and economic delivery of new homes.’

Danny Kaye,
Managing Director,
Sheridan Development
Management

Effective partnerships

- **Optimise public-private partnerships:** engage proactively with private sector partners to leverage funding, expertise and innovative approaches.
- **Foster trust and good communication:** build strong, transparent relationships with partners and stakeholders to ensure smooth collaboration.
- **Evaluate and learn from projects:** implement a culture of evaluation and learning from completed projects to continuously improve processes and outcomes.



“One thing that we really need to home in on when it comes to partnership is understanding alignment of values and ambition. It comes down to the planning, to being honest and to understanding each partner’s capability.”

Andy Bugler, Group Chief Executive, Bugler Group



Learning from practice

Councils are becoming more entrepreneurial to tackle complex housing and regeneration challenges.

Partnerships, internal capability, financial innovation and governance are central. This section highlights some learnings from our research and from real-world examples showing how councils in London and the South East have turned some key challenges into solutions, through the lens of our four areas of research focus:

- **Entrepreneurial mindset**
- **Cultures & competencies**
- **Systems & models**
- **Effective partnerships**

Entrepreneurial mindset

Challenge

Sites for housing not progressing due to financial viability, land ownership and wider community objectives being restrictive.

Solutions

- **Eastleigh Borough Council** initially intervened in stalled developments by offering purchase guarantees (buying units if unsold) and developer loans (e.g. for utilities).
- This strategy evolved into proactive direct involvement with developers to identify and solve specific problems, such as utilities, cash flow and purchase of homes, using joint venture partnerships.
- Consistent leadership, early involvement and open communication have been key.
- The strategy that has evolved has led to significant housing development of over 2,000 units, including 18 social rent flats from a small site.

- ✓ Outcomes: Reduced risk for everyone, enabled trust and momentum, and unlocked previously frozen sites.



"We set out our clear objectives on day one to say: 'we genuinely want the site delivered and how can we help solve the issues?'"

Andy Smith, Director
Finance, Improvement & Strategic Housing,
Eastleigh Borough Council

Entrepreneurial mindset

Challenge

Balancing financial return with social outcomes: “delivering with purpose”.

Solutions

- **Watford Borough Council & Watford Community Housing** created **Hart Homes**, a joint venture to increase the supply of affordable, social and temporary accommodation.
 - Outcome: Combined land, equity and borrowing to deliver council goals over profit.
 - **Hammersmith & Fulham Council** co-designed a regeneration scheme with the Ark charity to include a youth zone, adult learning centre, school and affordable housing.
 - Flexibility, willingness to drive the project forward, and the ability to manage different governance structures were key.
- Outcome: A multi-use site responding to community needs and local economic goals.

Cultures & competencies

Challenge

Shortage of qualified staff with commercial or technical expertise in councils.

Solutions

- **Westminster City Council** recruited from the private sector and focused on building cross-functional teams with legal, finance and delivery capabilities.
- The council places emphasis on creating the right team culture as well as varied and expert skill sets.
- Delivers confidence and gives certainty to contractors – being rigorous on viability and ensuring risk is bottomed out.
- Experience across different specialisms allows the council to choose the most appropriate delivery method.

Outcome: Built in-house capability to lead or critically assess development, negotiate effectively, use commercial thinking and oversee partnerships.



“Something that is fundamental is investing in the right people and right operational model.”

Setareh Neshati,
Director of
Regeneration and
Development,
Westminster City
Council

Cultures & competencies

Challenge

Concerns around use of public money, perceived profit by private partners and governance.

Solutions

- **Gravesham Borough Council** in Kent successfully navigated early concerns about a new partnership by holding briefings, offering site visits to successful schemes already delivered elsewhere and highlighting community benefits such as training hubs.

 **Outcome:** Built confidence through transparency and demonstration of social value.

- **Eastleigh Borough Council** provided private briefings to all members, creating a 'safe space' for open questions.

 **Outcome:** Early political alignment helped embed long-term thinking.



Systems & models

Challenge

Complex procurement processes and delays in approvals.

Solutions

- **Richmond and Wandsworth Councils** conducts extensive due diligence to understand potential hurdles before going to tender.
- Generally, the council uses a balance of 60% price and 40% quality in assessment, to avoid under-resourced contractors.
- There is a sliding scale approach to contracts, taking more risk on smaller-scale jobs and using design and build for larger jobs.
- The council does not have its own procurement framework but uses existing ones to avoid high costs for bidders and clients.
- It is moving from joint ventures to development agreements, with Patmore Street and Randall Close (see case studies [here](#)) being key completed projects.

 **Outcome:** Balancing speed, quality and affordability while ensuring control.



"We work really closely with our procurement colleagues to get the right contractors."

Joe Richardson,
Director of Housing
Development and
Place Delivery,
Richmond and
Wandsworth Councils

Effective partnerships

Challenge

Lack of experience in being a strong client.

Solutions

- In 2017 **Cambridge City Council** formed an investment partnership with the Hill Group (the first for both parties), as a Limited Liability Partnership (LLP), with a 50% shareholding for both the council and Hill.
- The initial objective was to deliver 500 new council homes, but the programme was later expanded to 2000.
- The partnership allowed the LLP to buy land on the open market, which the council would have struggled to do alone, as well as deliver development on council land.
- The early involvement of Hill made a significant difference in assessing site potential and pushing forward proposals, enabling a faster pace across the process to get to site.

 **Outcome:** The council has benefited from private-sector expertise while proactively shaping affordable housing delivery through a successful long-term partnership.



The Cambridge Investment Partnership model has been highly influential and has been adopted by other councils around the UK.

A reminder: what supports successful delivery?

Entrepreneurial mindset

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Share the evidence of what works. It builds the confidence decision-makers need to back new approaches – and creates the conditions for successful, low-risk innovation.

Resources

This section highlights key resources to support further learning, including details of our training and peer-to-peer knowledge exchange for housing development professionals. Together, these resources provide practical insights, expert guidance, and opportunities to strengthen skills and connect with peers across the sector.

Housing Development Academy (HDA)

Councils are filling skills gaps in their commercial thinking as council-led housebuilding switches from direct delivery to private sector housing partnerships.

The Housing Development Academy's programme – created and run by Future of London – highlights the growing demand for development skills in viability, commercial acumen and strategic finance.

HDA was set up by the London Housing Directors' Group at London Councils, with global consultancy Stantec as a sponsor. The curriculum was designed to meet the training needs of teams working in direct delivery and partnerships, in London and beyond. To date, **more than 165** council officers have taken HDA courses.



16 London boroughs and the GLA family are members of the Housing Development Academy

Visit the [HDA website](#) for more details of current courses.

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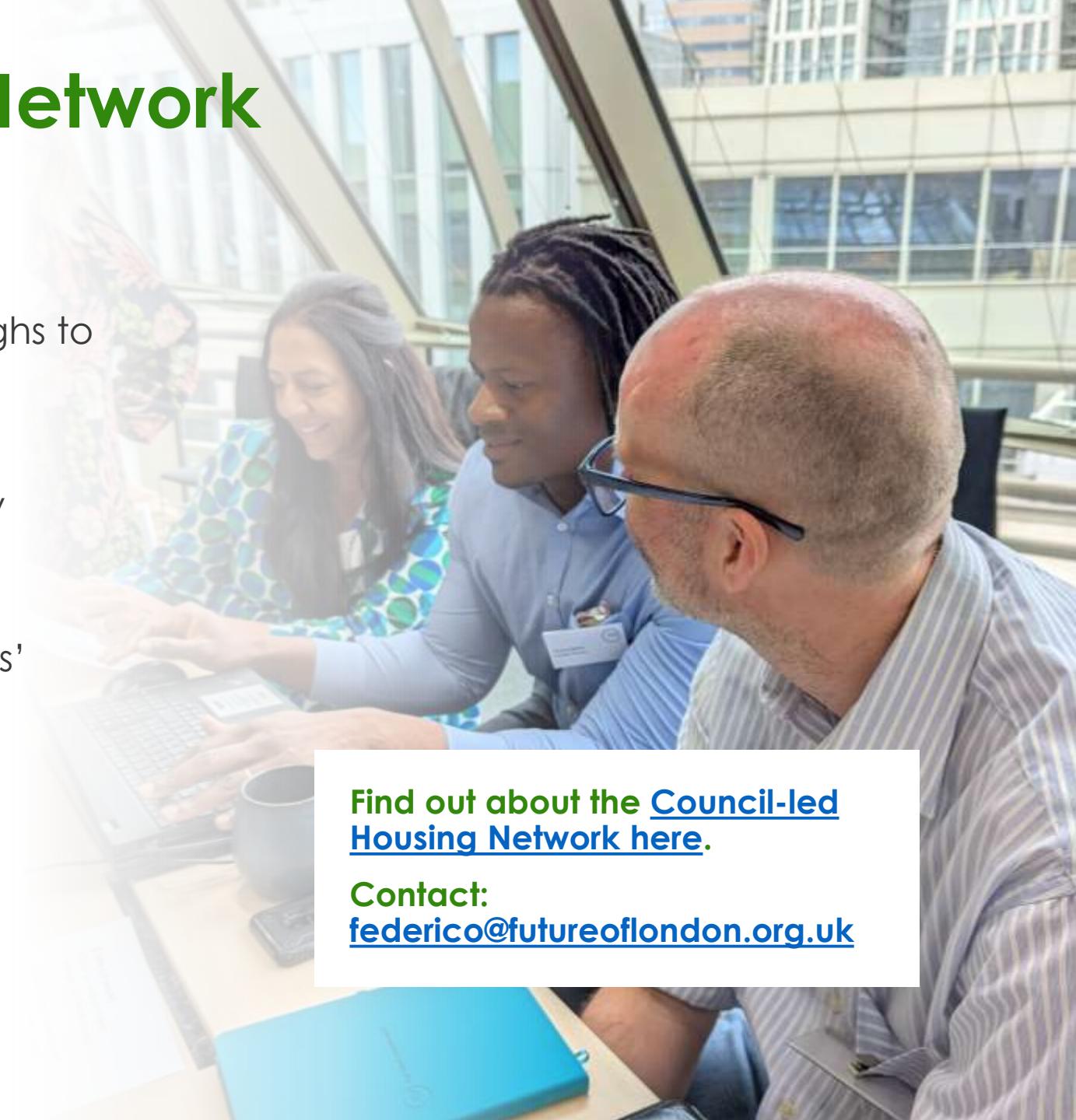
Council-led Housing Network

Future of London also runs the **Council-Led Housing Network**, now in its second edition.

This network brings together London boroughs to build councils' capacity, capability and confidence to deliver new council homes.

Supported by the Greater London Authority (GLA) and five private-sector sponsors, the network is aligned with the Mayor's London Housing Strategy and Bloomberg Associates' recommendations by providing:

- **monthly expert panel advice sessions**
- **peer-to-peer support groups**
- **a best-practice resource library.**



Find out about the [Council-led Housing Network here](#).

Contact:
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Resources

British Property Federation, [*Unlocking growth through partnership*](#) (2023)

Eastleigh Borough Council, [*Unlocking housing development: a blueprint for innovation*](#) (2024)

Housing Forum, [*What's the best delivery mechanism for councils to build housing?*](#) (2024)

London First (now BusinessLDN), with AECOM, Grant Thornton and London Councils, [*Housing partnerships: delivering the homes London needs*](#) (2021)

J. Morphet and B. Clifford (UCL Bartlett School of Planning), [*Local authority direct provision of housing: fourth research report*](#) (2024)

M. Mazzucato, [*The entrepreneurial state: debunking public vs. private sector myths*](#) (revised edn, 2018)

Southwark Council, [*Securing the future of England's council housing*](#) (2024)

calfordseaden resources:

<https://podcasts.apple.com/gb/podcast/the-building-safety-act-one-year-on-part-1/id1707186629?i=1000678394506>

<https://calfordseaden.com/news/jonathan-harris-procuring-a-healthy-project/>

<https://calfordseaden.com/news/jonathan-harris-on-design-and-build-contracting-of-higher-risk-buildings/>

Our project partners, sponsors and contributors

Future of London would like to thank our project partners Sheridan Development Management, Bugler Group and British Property Federation for their support and partnership, including providing invaluable specialist input and expertise. Thanks also to our launch sponsor, calfordseaden, for their support.

Project partner: Sheridan Development Management

Sheridan Development Management is a specialist housing development, regeneration and property consultancy, advising on development partnerships, financial viability, investment strategies, asset options appraisals and development delivery, amongst other services. Clients include local authorities, housing associations, developers and landowners. Sheridan has been led by Managing Director, Danny Kaye, for over 10 years. Spanning a career of over 25 years, he was previously Development & Special Projects Director at The Guinness Partnership, Assistant Director - Development at Peabody Trust, and Land & Assets Manager at the Commission for the New Towns. He is a Chartered Surveyor and a member of RICS's Planning & Development Expert Panel and the British Property Federation's Living Markets Board.

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SHERIDAN DEVELOPMENT MANAGEMENT

Project partner: Bugler Group

Bugler Group is a family owned multi-disciplinary construction and property development business with an enviable track record spanning four decades in creating high-quality new build homes throughout London and the South East.

Established in 1982, it specialises in delivering high-quality private, affordable and mixed-use homes through its integrated divisions: Bugler Developments, Bugler Homes, Bugler Land and the Bugler Foundation. The Group focuses on careful design, construction excellence and community impact through charitable initiatives.

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Project partner: British Property Federation

The British Property Federation (BPF) represents the UK real estate sector, an industry which contributes more than £137.5 billion to the economy and supports 2.7 million jobs – that's one in every 13 jobs in the UK. Our 400 members invest in communities across the UK, providing a wide range of homes, workplaces, health, education and warehousing facilities, essential for modern life.

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Launch sponsor: **calfordseaden**

calfordseaden is an award winning construction consultancy offering a comprehensive, multidisciplinary service that helps projects reach their full potential. Our expertise spans architecture, engineering, surveying, sustainability, and a wide range of specialist disciplines, enabling us to support clients and promote the highest standards of building quality and safety.

As sector leading specialists, we collaborate, innovate and tailor our approach to meet the needs of each project and the communities it serves.

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Kate Butler, British Property Federation
Caroline Cameron, Places for London
Heather Cheesbrough, Heather Cheesbrough Associates
Matthew Chillingworth, Federated Hermes Limited
Anna Clarke, Housing Forum
Ian Fletcher, (formerly) British Property Federation
Claire Flowers, Potter Raper
Stephanie Goldberg, Greater London Authority
James Green, Westminster City Council
Jonathan Harris, calfordseaden
Roz Hodgkinson-Williams, L&Q
Danny Kaye, Sheridan Development Management
Daniel Killian, East End Homes
Sara King, calfordseaden
Lizzie Le Mare, Tibbalds Planning and Urban Design
Penny Metcalf, Watford Community Housing
Susanna Morales, Barnet Homes

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John Reid, Herts Living
Joe Richardson, Richmond and Wandsworth Councils
Matt Rumble, Hammersmith and Fulham Council
Amy Shaw, Trowers & Hamlins
Osama Shoush, Southwark Council
Andy Smith, Eastleigh Borough Council

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