

**PART I: HOUSING AND NEIGHBOURHOOD RENEWAL IN
BRITAIN: NEED AND POLICY**

Housing and Neighbourhood Renewal

1 Britain's New Urban Challenge

After two decades of urban policy initiatives in Britain, there have been some notable successes in urban regeneration but there remains an enormous backlog of decline and decrepitude in our cities. For example, more than three million British homes (about one in seven) are unfit, lacking in basic amenities or in need of urgent repairs to the external fabric. Many of these homes are in neighbourhoods or on estates of degraded environmental quality, whose residents suffer from poverty and social and economic alienation from mainstream British society. Conditions in these neighbourhoods have been worsened by the loss of around one million industrial jobs from British urban areas, most in the past twenty years.

These run-down neighbourhoods and estates represent a substantial and mostly unaddressed challenge for urban renewal in the 1990s. They are home to about five million people, many of whom are unemployed, single parents, elderly or suffering some form of social deprivation. In some of these neighbourhoods the perinatal mortality rate for children is twice the national average and the death rate 30 per cent greater.

Unless Britain is to have permanent ghettos, the need for attention to these neighbourhoods becomes more acute as other parts of inner cities are economically and socially revived by docklands-style partnerships, retailing developments, cultural and tourist amenities and city promotion schemes. For example, Urban Development Corporations and similar public-private partnerships are fostering successful urban regeneration resulting in new offices, shops and leisure facilities, and up-market homes for sale. By the mid 1990s around £2 billion of public money will have been invested in London's Docklands alone, leveraging in much needed private investment. But these kinds of development are in obvious and sharp contrast to the problems of social deprivation and economic inactivity which characterise many nearby but less fortunate residential neighbourhoods. This report considers the

potential for new approaches to housing and neighbourhood renewal to assist with the problems of these neighbourhoods, and to begin the process of their re-integration into the fabric of British society. The report is based on a study carried out by the Policy Studies Institute in 1988-89 and funded by the Joseph Rowntree Memorial Trust.

The study originally focussed on new kinds of social housing developments by multi-agency partnerships, sometimes called joint ventures. However, early fieldwork of successful neighbourhood renewal in Glasgow, plus detailed analysis of the nature and magnitude of the problems of urban housing, suggested a widening of focus. This was necessary to encompass both the obvious need for better, more productive ways to address multiple deprivation in urban areas, and to record some of the innovative multi-agency responses to that challenge which were beginning to arise around the country. What became clear was that traditional approaches which tended to separate housing from its socio-economic and environmental context were inadequate for the very serious urban renewal challenges which face Britain in the 1990s. The study therefore is of more integrated approaches to neighbourhood urban renewal.

There is also a broader area of concern. Urbanised areas in cities and suburbs are home to 82 per cent of the British population and wanton disregard for the quality of life they provide will prove seriously un-ecological. As environmental issues are forced to the top of the British policy agenda in the 1990s, there will be increasing recognition that cities and countryside are part of a single interrelated environment. Neighbourhood renewal then accords with the environmental dictum 'think globally, act locally'. For example, it is no accident that the Dutch National Environmental Plan, in seeking to develop policies for a sustainable society in Holland takes quality in local physical planning as a key point in its strategy. The plan begins with the houses and streetscape of the neighbourhood-good local environments being the stepping stone to a healthy environment overall:

The realisation of compact cities requires an environmental quality which poses as few impediments as possible to the use of space for residential purposes. The problem of local pollution is very important in this connection: litter, neglect, vandalism and neighbour(hood) noise nuisance. The Fourth Memorandum on Physical Planning emphasises the importance of good environmental quality at the local level; land use policy is directed to improving the quality of the cities. Many local problems carry over to a higher level of scale, while problems at a higher scale level are ultimately expressed at the local level (Netherlands Second Chamber, 1989).

The neighbourhood is thus seen as a basic building block of a high quality national environment.

The neighbourhood renewal approach

Over the past few years perspectives on urban housing problems have been changing. There is increasing recognition that, in inner city neighbourhoods and on peripheral estates, housing problems do not stand alone but are one factor in the equation of multiple deprivation which characterises 'the urban problem'. Appropriate responses therefore are both multi-sector and multi-agency, in which housing initiatives relate to community regeneration in other areas such as employment, training, social services, transport, retailing, environmental improvement and health; and to less tangible but no less important factors such as the self-development of community confidence and better social integration. These responses reflect a more 'holistic' approach to urban problems, and neighbourhood renewal partnerships now are evolving within this perspective. Following from this, we are beginning to see that the social isolation, stigmatism, and chronic lack of confidence suffered by residents of the poorest neighbourhoods and problem estates may be gradually altered by a process of neighbourhood regeneration which simultaneously attempts to reduce a number of aspects of multiple deprivation.

However, much more effort is required in light of the size of the problem. For example, there are around 2,000 run-down, difficult-to-let council estates in England and Wales, and a substantial number in Scotland, accounting in total for about one-quarter of all council estates (Power, 1987). The Department of Environment's (DoE) Estate Action Programme is doing good work, but covers less than 10 per cent of these problem council estates. And although the main focus to date has been on problems within the public sector, there are also serious problems in neighbourhoods of private owner occupation and renting. According to the English House Condition Survey, there are 2.4 million private houses in poor condition, of which about one million are defined as 'unsuitable for human habitation'. Many local authorities are well aware of these problems but have felt constrained by severe cuts in their Housing Investment Programmes (HIPs). However there is now a type of initiative, still in its early days, which borrows the docklands-style approach to enable partnerships of local authorities, housing associations, residents groups, employment and training agencies, and private sector firms to team-up to undertake *neighbourhood renewal*.

Neighbourhood renewal often involves a mixed tenure approach to housing provision, by which is meant not only tenure diversification in the public

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sector, but more importantly, understanding the contribution and potential of the various tenures to contribute to neighbourhood quality of life. The reader will notice therefore that throughout this report the council estate is not considered as separate from the neighbourhood. Rather it is argued that the need for renewal and the social definition of the neighbourhood defines the task, not the existing housing tenure.

Figure 1.1 The neighbourhood renewal approach

The potential for neighbourhood renewal

The potential for neighbourhood renewal is substantial; recent government legislation has created a 'window of opportunity' for partners to come together, identify the needs for renewal, and find the best arrangements of agencies and funding to tackle those needs. For example, the Local Government and Housing Act (1990) will allow local authorities to designate statutory Renewal Areas and Group Repairs Schemes. These, properly conceived in light of the problem and funded according to needs, might make an important contribution to neighbourhood renewal.

Local authorities, for their part, are beginning to discard untenable housing ideologies and to consider resident benefit in a neighbourhood context as a primary objective of policy. Housing associations, perceived by central government as neither Rachmanesque nor local government, are earmarked for a massive doubling in funding from the Housing Corporation by 1992. Community-based housing associations, co-ops and neighbourhood improvement groups are empowering local residents with new confidence in their own abilities. Private agencies are contributing money and expertise to mixed-funding developments. The most innovative of these organisations are coming together in partnerships to meet the challenge of neighbourhood renewal. This report describes the characteristics of the neighbourhood renewal approach, and a number of examples of good practice from around the country.

The report also warns that at the very time when there is considerable need and potential for neighbourhood renewal, there is also a considerable risk that the opportunities created may be foreclosed by a housing and urban policy vacuum on the part of central government. The report therefore proposes an 'enabling' policy framework to nurture this new neighbourhood renewal approach, and comments on the potential of the Local Government and Housing Act to meet the needs of renewal.

The PSI research

The research consisted of two parts, a policy and institutional review and case studies. The policy and institutional review was separate from, but very much informed by, the case studies, and continued from the beginning to the end of the research process. This review is set out in Part I of this report.

PSI also examined 'best practice' in housing-led neighbourhood renewal in eleven local authorities: Glasgow, Newcastle, Leeds, Sheffield, Blackburn, Nottingham, Birmingham and in London (Tower Hamlets, Newham, Southwark and in Kensington Chelsea). The local authorities were selected

following a review of recent reports in the housing press which indicated innovative, multi-agency approaches to social housing development and rehabilitation. A main criterion for selection of a case study was that the scheme included a good portion of social rented housing (that is, good quality housing affordable by those on low incomes), mainly within a mixed tenure context. This ruled out developments solely for owner occupation, not because innovation was not found in such schemes, but because they were less problematic to design and implement and were unlikely to solve the housing needs of worst-off neighbourhoods. That said, an element of housing for sale is often an important part of the tenure diversification process. Many of the case studies reflect this.

In most of these innovative local authorities closer examination revealed initiatives broader than social housing, and in some cases, considerably broader than housing itself. In some local authorities initiatives more than one neighbourhood was studied. In a few local authorities, developments are part of a city-wide neighbourhood renewal approach. For example, in Glasgow new peripheral council estate initiatives at Drumchapel and Castlemilk are complementing Britain's pioneering inner city neighbourhood renewal programmes.

An early switch in research focus from one on 'housing projects' to one encompassing the local authority itself was partly in recognition of the obviously important role of local authorities in most neighbourhood renewal efforts, and partly because innovation often breeds more innovation, and one interesting programme leads to another. In all, 16 'neighbourhoods' are discussed, including city-wide neighbourhood renewal in Glasgow and Sheffield. However, many of the case studies are not so much of completed developments as *renewal-in-process*; requiring a 'monitoring' approach to research. This is necessary because:

- of the fast pace of legislative change and innovation in housing;
- of rapidly changing definitions of the problem and institutional responses; and
- the seeds of housing success or failure in the early part of the 21st century are being sown now.

Because of the monitoring approach adopted, some of the case studies are of completed developments, others are in the planning stages or early construction stages and this is made clear in the discussion. This approach has enabled the research to tap into the dynamics of the development process, and to learn from the most up-to-date experiences of the participants. Because

such developments are at the forefront of urban renewal practice, there is much 'learning-by-doing' of participants and the research has benefitted from that.

The remainder of this chapter 'defines' the broad spectrum of neighbourhood renewal in terms of the main, common elements to arise from the case studies. It also lists the main points of interest of the case studies and summarises the remainder of the report.

The basic elements of neighbourhood renewal

The case studies indicate that problems of multiply deprived neighbourhoods require *locally determined* solutions in which housing development and rehabilitation have an important role to play in a broader conception of the social and economic dimensions of the problem, and where the goal is a healthy community. A healthy community is defined by appropriate levels of economic activity and social cohesiveness, and recognition that the quality of the environment outside the dwelling is as important as the home itself.

This broader perspective on the problem requires that local authorities take a longer term, city-wide (or strategic) view of the need for neighbourhood renewal, and accept partnerships and tenure diversification as tools of renewal. Best practice in the case studies shows local authorities acting as a catalyst; to take an overview, to bring together the relevant partners (from housing associations, community groups and the private sector) and to oversee implementation. Just as in docklands-style developments, *vision, confidence building* and *innovation in finance* are the keys to renewal, and these flow from a strong lead-agency approach, a task often taken on by local authorities.

To accomplish this strategic view local authority housing, planning, legal and financial departments are required to develop a 'corporate' approach to urban renewal and to cooperate in its implementation. This is often a challenge. Also a prerequisite is a high level of collaboration, and appropriate division of responsibility, between elected members and officers. Councillors and officers are working together to rethink the appropriate objectives and roles for each department within local government. It is recognised that challenging development functions for neighbourhood renewal can be delegated to housing associations or specialised development agencies. In the case studies, innovative local authorities were found to be shifting from a reactive, defensive stance against what they perceive as the onslaught of disabling central government legislation, to a pro-active, strategic stance which accepts that the political agenda has shifted. This involves moving from a council sector housing policy to a city-wide housing policy (including the reasonable preference of many for owner-occupation).

Housing-led neighbourhood renewal usually involves an innovative combination of rehabilitation, enforcement action and demolition new build; a shift from single tenures to mixed tenures but with the provision of a major portion of social rented housing for those unable to, or not wishing to, buy their homes; and an element of cross-subsidy from non-housing to housing, and from redevelopment for owner occupation to social rented housing. However some cross-subsidy approaches appear vulnerable to fluctuations in housing markets and the general economy, and a fall in house prices could undermine some schemes.

At the national level, for the neighbourhood renewal approach to meet the magnitude of need in British cities, a coherent national housing/urban renewal policy is required to 'enable' the process. Although this is lacking for England, the Scottish case studies demonstrate that an integrated policy framework is possible and very productive for neighbourhood renewal, and that central and local (and Scottish regional) government cooperate in this area.

Neighbourhoods requiring comprehensive renewal have very low levels of economic activity, and therefore an adequate programme and measure of subsidy is required. The evidence is that consistent and wisely directed public subsidy can 'lever in' private investment, but that the levels of public funding must be commensurate with the task and appear early in the renewal process. The benefits can take up to a decade to come to realisation, and a long term perspective is required. The history of Housing Corporation in Scotland interest and funding of area-based urban renewal demonstrates the fruitfulness of a long term, comprehensive approach.

Land assembly, mainly by local authorities, can play a key role in neighbourhood renewal because land transfers provide an opportunity for a measure of subsidy which is often essential to the inclusion of social rented housing in developments. Land transfer subsidy has become more difficult as a result of restrictions on local government, the need for DoE approvals, and pressure to realise market value even where this produces a reduced flow of long-term benefit in favour of short-term cash flow. Much that is innovative today in neighbourhood renewal is based on land transactions initiated a few years ago.

Existing residents have an important role to play in partnerships; the best neighbourhood renewal schemes are undertaken with their active involvement. Encouraging a climate in which their own confidence and initiative can grow is essential; involvement in housing development and management is often an important first step. Community-based housing

associations and housing cooperatives play an important role in this regard. An agency which takes the lead early in the renewal process can transfer on this role to an upcoming community based group.

Usually development must proceed simultaneously on a number of fronts: housing, environmental improvements, retail and small business developments and employment and training initiatives must go together to engender the necessary level of confidence for projects to 'gell'. Small-scale, timid or isolated approaches, not based on a neighbourhood perspective, risk being overwhelmed by the remaining problems and do not appear to offer good value for money. However, larger innovative social housing refurbishments, mixed tenure developments and other investments, can act as catalysts or 'growth poles' for wider neighbourhood renewal, if developed in a broader framework. Where that broader framework does not exist the 'spillover' benefits of development may be lost for lack of reinforcement.

Overall, the magnitude of the task, the risk of relying on a single solution, and the diversity of innovation and organisational structures represented in the case studies suggest that there is no one correct organisational or financial model for neighbourhood renewal. Rather the appropriate arrangements should flow from a localised assessment of needs and resources of all kinds (housing, economic, organisational human resources, etc) matched with the diversity of options, supported by central government, for a neighbourhood renewal approach.

Case studies - main points

The following section highlights some of the main points of interest of the case studies, which are described in detail in Part II of the report.

Glasgow

Overall

- Sophisticated Scottish policy framework supportive of neighbourhood renewal
- Good central-regional-local government and community relations in partnerships
- Housing Corporation in Scotland (now Scottish Homes) direct interest and funding for area urban renewal
- City-wide strategic perspective and local government support for community initiative

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Queens Cross and Maryhill

- A model of community based housing association-led renewal
- Growth pole model

Drumchapel

- Innovative peripheral estate renewal
- Dynamic estate-based development agency, broad and expanding partnership
- Estate divided into manageable neighbourhood units and development agencies

Castlemilk

- Peripheral estate renewal
- Example of central-local government direct cooperation

Newcastle

Northbourne Street area

- Revival of a small, seriously distressed traditional community
- Inner city housing rehabilitation with environmental improvement

Walker Estate

- Mixed owner occupation and council estate renewal programme
- 'Seed' project for further neighbourhood renewal

Leeds

Chandlers Project

- Innovative partnership and financing
- 'Seed' project for neighbourhood regeneration

Blackburn

Urban Development Initiative

- Pioneering partnership between private sector development agency and local authority

Brookhouse Neighbourhood

- A comprehensive approach to a neighbourhood of desperate housing and social need, mainly in private owner occupation
- Possible renewal area under Local Government and Housing Act

Sheffield

The Sheffield Partnership

- A model of a city-wide neighbourhood renewal approach
- Partnership between local authority and housing association
- Innovative financing
- Local authority corporate approach

Nottingham

Hyson Green

- Housing association consortium approach
- Innovative mixed tenure development

Birmingham

Overall

- Innovative enveloping approach

Saltley Neighbourhood

- Local authority led, broad partnership approach
- Possible renewal area under Local Government and Housing Act

Sparkbrook Neighbourhood Agency

- A model of a housing associations-led community based approach
- Broad neighbourhood renewal perspective
- Initiation of other community based organisations

London

Kensington and Chelsea

North Kensington

- Two decades of local authority housing associations partnerships
- Broad area rehabilitation and renewal approach
- Extension of partnership approach to Amenity Trust

Tower Hamlets

Hadrian Estate

- Council estate rehabilitation
- Local authority housing association partnership

Newham

Winsor Park Development

- Local authority, Urban Development Corporation, Housing Associations and Cooperatives Consortium
- Major social housing development

Southwark

Downtown Neighbourhood

- Local authority, Urban Development Corporation, Housing Associations and Cooperatives Consortium
- Major social housing development
- Innovative cross-subsidy financing

Structure of report

The report is organised in two main sections. Part I is a review of the policy and general practice of neighbourhood renewal. Part II describes each of the case studies. In the rest of Part I, chapter two recounts some general statistical evidence which gives an indication of the magnitude of the urban renewal challenge, and its dimensions. Chapter 3 takes a brief look at the relationship between urban theory and British urban policy since about 1950. This is necessary to avoid re-inventing the wheel, and to help us understand the influence of theory on policy, and the advantages and disadvantages of different approaches. Chapter 4 continues this theme by looking at how developments in America and then Britain contributed to the evolution of the multi-agency ‘partnership’ response to ‘downtown’ and docklands-style urban renewal, and the contribution of this approach to the housing and neighbourhood renewal programmes which are the focus of this study. The chapter also examines the conditions which gave rise to successful urban renewal partnerships in the USA, and considers the opportunities and constraints which influence the replication of these conditions in Britain.

Chapter 5 looks at the most important aspects of neighbourhood renewal, distilled from the case studies and elsewhere: the neighbourhood perspective, the economic benefits of neighbourhood renewal, the dynamics of partnerships and their tasks, the community role in the partnership process, and the need for resources for planning. Chapter 6 looks at the changing roles of major local organisations involved in partnerships: local authorities, housing associations and cooperatives, and building societies. The potential for these organisations to contribute to neighbourhood renewal efforts is

discussed. In chapter 7 the new Local Government and Housing Act is examined to assess the extent to which it might enable neighbourhood renewal. Finally, chapter 8 looks at how the central government policy framework can enable or constrain renewal efforts. The effects of an housing and urban renewal policy vacuum, and overcentralisation of functions, are discussed, and an alternative 'enabling' policy framework is proposed.

Part II reports the case studies in three further chapters: inner city neighbourhood and peripheral estate renewal in Glasgow; innovation in cities in the Midlands and North of England; and social housing and neighbourhood renewal approaches in London.