

*Innovation in Cities in the Midlands and North of England*

*Housing and Neighbourhood Renewal*

## **10 Innovation in Cities in the Midlands and North of England**

This chapter describes a broad range of innovative activities in neighbourhood renewal in six cities in the Midlands and the North of England. These range from mainly housing developments which are contributing to neighbourhood renewal in Leeds, Nottingham and Newcastle, to neighbourhood-wide renewal efforts in Blackburn and Birmingham to a city-wide approach in Sheffield. The cases are presented in this ascending order of scale.

### **Leeds – the Chandlers Project**

The Chandlers Project is a mixed tenure housing project which has instigated a renewal process in a neighbourhood not far from Leeds city centre. The project is of interest for three reasons. It was the first to be undertaken in an area of Leeds which had been ignored and declining for a century, and it opened the area up to major rehabilitation and new economic activity. The project is reported to have required a ‘great deal of faith between all the partners’ that the area would be regenerated (Couttie, 1987) Its success has stimulated the market for the redevelopment of the surrounding area and enabled the City Council to achieve their regeneration strategy for the neighbourhood. The Council has 50 per cent nomination rights for the rental housing.

The Chandlers is also of interest as one of the first schemes in the UK to combine public sector grant with private funding, and as one of the first in the ‘affordable’ rented sector of assured tenancies to be made financially viable by an index-linked loan. The Halifax Building Society provided development finance and an advance of £1.85m of index linked funds. This was made available from the initial £15m raised by the Halifax in 1985 in the first index-linked stock issue by a private institution (Smallwood, 1988, pp.4-5).

Finally Chandlers was unique at the time in that it was undertaken by a non-registered satellite housing association, which received no Housing Association Grant. Prior to the 1988 Housing Act, such satellites were usually established to provide rented housing on own assured tenancy basis when registered associations were unable to do so.

***A need for single persons' housing***

Leeds City's housing strategy encompasses not only the Council's role as a direct provider of rented housing, but also recognises a wider, enabling role in respect of owner-occupation, private rented housing and provision by housing associations. To this end, the Council promotes effective partnership with local housing associations and with a number of private developers.

To enable it to plan its housing strategy with a degree of confidence in its understanding of future demographic changes, Leeds City Council has undertaken its own population survey to supplement and update the information available from the 1981 Census and OPCS population projections. Leeds' population since 1981 is reported to have decreased (0.9 per cent decrease from 1981 to 1986), after a sharper rate of decline in the period from 1971 to 1981. Changes in employment and in housing costs are thought responsible for arresting the rate of population decrease. Whilst the change in population has been relatively modest, the HIP Strategy (1989-90) reports that the growth in the number of households has been much greater. Between 1971 and 1987, the number of household in Leeds increased by 11,700 (4.5 per cent), with a further increase of 9,200 households from 1981 to 1986 (3.4 per cent). The factors behind this trend are national and concern the creation of new households through divorce and separation, and the wish of single people to establish their independence. There has been, therefore, a significant increase in the number of households wanting separate accommodation and the City Council is attempting to address this demand.

The Council's waiting and transfer lists mirror these demographic changes. The average household size for waiting list cases is 1.85 persons per household and for the transfer list 2.39 persons per household. By far the greatest proportion (51 per cent) of people on the waiting list in Leeds are single persons. To begin to meet the needs of single people requiring housing and to embark in another phase of area renewal, Leeds City Council entered into partnership arrangements with a housing association and building society.

### ***The partners***

The developer, Regent Housing Society, co-ordinated the work of local and central government, funders, consultants and the contractor. Regent is a satellite of Yorkshire Metropolitan Housing Association, which was formed in 1974 as a non-profit making association registered with the Housing Corporation. The Association is now a major provider of fair rent housing in Yorkshire. In 1984 Regent was formed to provide rental accommodation under assured tenancy provisions and also to provide low cost housing for sale, using private finance. Regent was established as a registered Industrial and Provident Society because at the time only an unregistered housing association could raise the necessary inner city grants and provide dwellings for letting on assured tenancies.

At Leeds City Council, the industry and estates department and the planning department assisted the development by resolving problems resulting from multiplicity of uses and ownership on the site. The local authority was also instrumental in securing Urban Development Grant and Historic Buildings Grant which provided approximately 30 per cent of the total scheme cost. When the Association allocated tenancies, the City Council's Housing Department obtained the 50 per cent nomination rights in return.

Financing arrangements were developed in partnership with the Halifax Building Society from the early stages. Both the city council and the Halifax supported the project in the knowledge that the borrower was a satellite of a housing association with a proven record in development and housing management. The Housing Products Manager of the Halifax notes:

A large portion of the Society's work with associations has been undertaken with unregistered satellites of well established registered associations. Therefore our borrower is often an organisation with a limited asset base and without a track record. We have relied upon the quality of the projects to provide us with adequate security and of course upon the expertise and track record of the parent association, even though no guarantees could be provided by them (Smallwood, 1989, p.10).

The construction was undertaken on a competitive tender basis by an established local builder who had previously worked with Yorkshire Metropolitan, a point which again emphasises the advantages of the satellite's link with a major registered association.

### ***The scheme***

The Chandlers scheme is on 1.21 acres of land located on the banks of the River Aire about one half mile from Leeds city centre. The site originally

comprised a 19th century former corn chandler's warehouse and a number of derelict tram sheds. Another area of the site was used by a scrap dealer and the city cleansing department. The scheme proposals included the refurbishment of the warehouse into 28 low cost flats for sale, plus the demolition of the tram sheds to clear a site for the erection of 92 new build units available on a rental basis. The development comprises 120 units in total: 28 studio and one bedroom units which sold for between £16,000 and £21,000; 92 one bedroom units suitable for one or two people and renting at between £17 and £33 per week. The rents were agreed as being acceptable with Leeds City Council and many of the tenants qualify for full or part housing benefit.

The Halifax comments:

This difficult urban site needed a team with vision and determination to create a housing development where people would live by choice ... The Halifax has worked as a partner in many schemes which have provided mixed tenure developments and this has been a key to the success of the projects. These schemes create communities with a range of tenures meeting a variety of housing needs. This project was the first of its type in the inner city of Leeds (Smallwood, 1988, p.5) .

This principle is exemplified by the demand for the accommodation at the Chandlers. The 28 flats formed by the conversion of the Corn Chandlers warehouse provided first time buyer accommodation and these properties proved very popular for low paid young people in the area and were sold without the need for newspaper advertising. Similarly, over 400 applications were received for the rental units from one advertisement.

The City in turn was pleased that the development began a process of attracting private investment to the area, for example a refurbishment project of over 100 units by Barratt Urban Renewal (Northern) Ltd.

### ***Finance***

The £3.4m project is a partnership of public and private finance from central and local government through UDG and historic buildings grants. Both the development and long term indexed linked finance have been provided by the Halifax. The index linked loan of £1.85m will finance the 90 rental units. The Chandlers could not be brought off at fair rent levels without local authority subsidy which could not be forthcoming.

The capital finance breakdown is shown in Figure 10.1.

**Figure 10.1 The Chandlers Project: financing**

Buildings and 1.21 acres of freehold land	£ 115,000
Building costs	2,540,000
Fees and other costs	369,000
Guarantee Premium	12,000
Interest	300,000
Total costs	3,363,000
Less UDG and Historic Building Grant	1,002,000
Net Development Costs	2,361,000
Less sales income	505,200
Balance to Fund by Residual Index-Linked loan repayable over 35 year term at 4.5 per cent base fixed (RPI)	£1,855,800

Source: The Halifax Building Society

The scheme illustrates the necessity of subsidy if rents are to be kept down to affordable levels. The net rent levels, which average around £28 per week, are directly related to the grant aid of 30 per cent of the total scheme costs. The profits from the flats for sale were also used by the Association to keep rents down to levels which are eligible for housing benefit.

The project was one of the first in the country to base financing on assured tenancies. For the Halifax, the Assured Tenancy Agreement ensures that rent levels will be adjusted annually in line with the Retail Price Index and thereby match the mortgage repayment required. This provides an affordable repayment profile, on the assumption that over the term of the loan, increases in the incomes of residents, particularly from housing benefits and pensions, will reflect levels of inflation.

### ***Conclusion***

The Chandlers scheme, although small by neighbourhood renewal standards, is important because it demonstrates:

- that local authorities working in partnership with housing associations, building societies, and local builders can provide inner city housing at affordable rents on assured tenancies;
- that limited subsidy is however essential for this process, and if not from HAG then from UDG or Historic Building Grant or any appropriate source;
- that given subsidy and appropriate control, approved private landlords could probably undertake similar efforts; and

- that one good project, by engendering local confidence, can initiate a wider process of neighbourhood renewal.

A number of organisations are concerned about whether these kinds of partnerships can be replicated. For example, the Chandlers scheme is just one aspect of Leeds City Council's well-defined policy of partnership with housing associations. The Council notes in its 1989/90 HIP submission:

Initially, the major thrust of the partnership was in declared Housing Action Areas and General Improvement Areas. Six major Associations were zoned for rehabilitation work and these arrangements still apply. Now, however, the improvement work of the Associations is linked to the Council's defined Urban Renewal Areas. These areas which embrace Grant areas, Housing Action Areas, enforcement against Houses in Multiple Occupation, Urban Programme environmental improvements as well as Housing Association improvement and new build schemes, have given the Housing Corporation confidence in the City Council's Urban Renewal Strategy which has been reflected in annual allocations.

The Council also notes, however, its concern:

The established role of Associations as a vital component in Inner City renewal must be threatened however by proposed changes in the structure of Housing Association Grant. Will the level of rehabilitation work in the stress areas be sustained?

The Council's concern is reflected in the fact that less than 4 per cent of 'challenge funded' schemes in Leeds were approved by the Housing Corporation. Similarly, Leeds Federated Housing Association, a major community based association, reports that the proportion of rehabilitation in its current programme (1989-90) has declined precipitously from around 50 per cent to about 5 per cent, in favour of green field/new build.

A representative of the Halifax Building Society in summarising its role in the Chandlers Project and similar schemes, also expresses concern:

The Halifax is already providing significant levels of finance for the types of initiatives envisaged by current housing policy. In doing so the partnership establishment with local authorities is often a crucial factor. But a concern for the future of this relationship is the ability of local government to sustain its role as enabler ... It is hoped local authorities will continue to contribute resources and the effective co-ordination of proposals so that housing projects can be developed which meet the needs of local communities (Smallwood, 1988, p. 10).

Finally, a footnote on the institutional arrangements of this project is provided by the fact that in 1989 the unregistered Regent Housing Society converted from a friendly society to plc. status, thus breaking away formally (but not informally) from its parent, Yorkshire Metropolitan. This was as much from 'pressure from the Housing Corporation and red tape and for allowing increased freedom to cross-subsidize developments' according to Regent's Director. However this has not altered Regent's fundamentally social orientation. They are currently working with Leeds City Council in buying and refurbishing of nine difficult-to-let blocks on problem estates, to be let at rents of £35 per week.

### **Partnership renewal in Newcastle**

These two case studies involve partnerships between Newcastle City Council (NCC) and two of the largest housing associations in the country, but both with strong links to Newcastle. The first development involves the refurbishment of more than 300 privately owned pre-1919 dwellings in the Northbourne Street neighbourhood on Newcastle's west side. This severely declined area was slated for complete clearance, before being refurbished for rent by the North Housing Association. The second development, on the east side of Newcastle at Walker, involved joint refurbishment by NCC and North British Housing Association of one of Newcastle's worst-off inter-war estates consisting of 24 deck access, walk-up blocks. These case studies are good examples of carefully planned, fine grain housing and environmental renewal projects, of either privately-owned or council housing, which can both initiate a neighbourhood renewal process, and which are among the basic building blocks of such a process.

Such partnership arrangements are not unusual in Newcastle, which is both an Inner City Partnership Authority and home to the CBI's Newcastle Initiative to stimulate business investment by joint private and public sector action. Newcastle City Council works with 18 housing associations and 7 housing cooperatives and envisages increased cooperation with housing associations in many areas.

### ***Northbourne Street***

The North Housing Association has more than 20000 rental dwellings in the North East and Cumbria. But its headquarters is in Newcastle and there is a regional office in Gateshead, so the area is very much its home patch. About 6 per cent of its stock is in Newcastle.

The Northbourne Street neighbourhood comprises 344 dwellings on a steep slope facing south towards the River Tyne, with good vistas across the river to the settlements and countryside west of Gateshead (Figure 10.2). The houses were slated for demolition as recently as 1982 and the neighbourhood at that time was suffering serious blight and social decline. The houses had been built in 1885 for managers, foremen and workmen from factories in the area. Until the 1960s, the area was considered a good place to live, with a stable community of people renting their houses from private landlords. Decline in economic activity in Newcastle, at the same time as a change in the private ownership of the housing, led to a rapid decline in both physical and social conditions in the area, to the extent that the neighbourhood was considered to be 'beyond hope' by the local authority in the early 1980s. There was, however, an active neighbourhood action group which invited North Housing to a public meeting in 1982, with the hope that some positive action could be taken to improve both the social and physical conditions of the area.

**Figure 10.2** Northbourne Street neighbourhood

North Housing entered into negotiation with the then private owner of Northbourne Street when press reports indicated that the City had decided the area required clearance. North Housing then began subsequent negotiations with the City, drawing in the Department of the Environment and the Housing Corporation which provided HAG funding. This generated a commitment to fund an intensive rescue operation involving rehabilitation of most of the houses, selective clearance, new building and community development.

North Housing acquired the properties in March 1983 in one portfolio and the first building work started on site in November of that year. The first, urgent step was a pilot phase to show the local residents what was possible in the way of rehabilitation at a time when many of the residents had decided to escape the area. Burglary, intimidation and a murder had made conditions so difficult and unpleasant that within two months of North Housing acquiring the properties, one hundred families had abandoned their new tenancies and left. But North Housing had acquired the houses only after campaigning had been undertaken on their behalf by the tenants and other local action groups. Therefore, in spite of the severe social conditions, there remained the nucleus of a community with a strong commitment to Northbourne Street.

North decided upon a four pronged plan of action to maintain and strengthen this community nucleus and initiate the renewal process. First, the Association embarked upon an experimental scheme of Neighbourhood Caretakers to provide support to existing tenants and safeguard the properties against further vandalism. Second, an existing member of staff was appointed as Management Assistant to the area and given a comprehensive role to liaise with all of the tenants and treat each as an individual client for the purpose of carrying out improvement works to their properties. Third, a Community Worker was appointed whose role was to liaise closely with the Tenants' Action Group, which later decided to form themselves into a Tenants' Association and subsequently into a Community Association. The funding for the Community Worker was through the Inner City Partnership, with continuing support by the City Council. Fourth, North moved quickly on the rehabilitation front to stave off further erosion of the community and to restore residents' confidence in the future of the neighbourhood. Intense activity during 1983 and the beginning of 1984 by two firms of contractors meant that in less than 12 months after acquisition, the first pair of improved flats were opened as show flats by the Mayor of Newcastle.

Development activity has concentrated on rehabilitation in nine phases, usually of between 22 and 60 units, achieving high activity rates and economies of scale by standardisation. There is also a degree of tenant choice

because of the options and mix of units created. Initial phases have been exclusively fair rent, at between £18 and £21 net rent per week.

New build activity has taken two forms:

- replacement of former non-residential uses, and
- replacement of flats whose condition is such that rehabilitation is not feasible.

For example, a laundry was demolished and the site redeveloped to provide 13 houses for families decanted from unfit flats. To date 292 flats and 36 houses have been fully refurbished. Work has also commenced to provide a small sheltered housing scheme on a former school site with communal facilities available for use by the neighbourhood's residents.

In a complementary development, the Community Association has built a play area on the old school site adjacent to Northbourne Street at a cost of £24,500, the funds raised solely by the Association, who continue to make a major contribution to quality of life in the area. This initiative was by the residents themselves, who commissioned architects with assistance from Voluntary Initiatives in Vacant Areas programme, an offshoot of a local RIBA Workshop.

In 1985, the area won a National Home Improvement Council Award, and was cited for the care taken to preserve the identity of the community during the modernisation progress (Figure 10.3). Work was completed in 1988 on four properties used as a hostel by the Carr Gomm (Tyneside) Housing Association. The Association has, through management agreements with North Housing over the past 12 years, provided hostels in both the east and west areas of Newcastle for their clients, who in the main are people needing a limited amount of support by means of peripatetic wardens.

Finally, an important aspect of the Northbourne Street development has been environmental improvements, obviously not HAG funded. This comprehensive programme of improvements have been carried through as rehabilitation of each street is completed. The programme involves the introduction of small front gardens to some dwellings, selective road closures or reductions in carriageway width, grouping of car parking, formation of small sitting areas and planting groups, and the creation of a visual as well as social focus for the area around the Community Centre, with a larger area of open space and a play area.

Materials for the environmental works to the roads and footpaths have been provided by North, funded from reserves, with Manpower Services Commission-recruited local labour to carry out the first phase. Subsequent

**Figure 10.3 Elevations in Northbourne Street**

phases are being funded through the Newcastle and Gateshead Inner Area Partnership.

The success of the physical aspects of renewal at Northbourne Street is indicated by the NHIC Award and the obvious attractiveness of the neighbourhood. The success in terms of tenant quality of life is indicated by an active waiting list of 600 applicants for the houses and flats in the final stages of improvements. North Housing feel that the Northbourne Street renewal programme demonstrates that inner city rehabilitation, although not cheap, can be less expensive than demolition and results in substantial social benefits.

***Estate rehabilitation in the Walker neighbourhood***

One of the priorities expressed in Newcastle District Council's Housing Strategy is the need to tackle the problems of the 8,000 inter-war flats which are showing major signs of physical deterioration in external structure and fabric as well as poor layout and substandard internal amenities. The City's current modernisation programme therefore concentrates on revitalisation of estates over 50 years old, and recent comprehensive schemes have resulted in the revitalisation of the earliest garden estates in Newcastle. High standards of improvement, including extensions to improve space standards, and the

provision of amenities for disabled people are important aspects of these schemes.

The development now called Walker Park Village comprises what was known as Rochester Dwellings, built by Newcastle City Council in 1923. The estate consisted of 24 blocks of three-storey walk-up flats with shared access balconies. The flats were a mix of two and four bedrooms. The estate had fallen into a condition of decay which resulted in the label 'worst estate' in Newcastle. Plagued by break-ins and vandalism, the estate was a 'no-go area' for the police.

Clearly no successful neighbourhood renewal could take place in the wider Walker area without addressing the problem of Rochester Dwellings. Tenants campaigned for complete demolition and new homes, but this option was precluded by capital expenditure constraints on the council. NCC therefore sought the opinion of North British Housing Association, which had recently completed a smaller, 38 house improvement for sale (IFS) scheme nearby, using Housing Corporation funding.

The resultant scheme involved the Council in modernising half the estate for rent and North British improving the other half of the estate for sale. The aim was to transform the whole estate by tenure diversification and design changes, thus removing the existing stigma and creating a completely new identity. Seven of the 24 blocks were demolished to open up the estate, while the height of five blocks was reduced to two storeys to provide family homes. A new access point was created opposite Walker Park, which itself was given a facelift last year. The brief included a reduction in the density of the Estate and the provision of defensible space and effective landscaping with a view to creating homes which were both desirable and affordable. Joint project meetings were held between the Council and North British to ensure the two development schemes were co-ordinated and complementary to each other. A recent proposal is for a Community Centre to be established on the completed estate, funded through the Inner City Partnership.

The total cost of the North British scheme, which is a mix of one, two and three bedroom flats and three and four bedroom houses (94 homes in all) is £2.5 million. Although the development was funded mainly by the Housing Corporation, additional funding for external works such as roads and footpaths has been provided by the Council through Inner City Partnership. The IFS units were priced at between £11,500 and £15,500 for flats, and £17,500 to £18,500 for 3 or 4 bed houses. The local authority investment is of a similar magnitude at £1.8 million, phased over four fiscal years.

The refurbishment at Walker Park Village is part of a broader neighbourhood scheme. Walker Park itself has been subject to a major rehabilitation. Nearby, the last of the Bison system built blocks in the City was demolished to enable the planned redevelopment of the area. Other housing associations are now active, and the Council anticipates that the combined effect of these various developments will have a major positive impact on the neighbourhood. The Director of Housing notes:

These developments, which fit in well with the City's overall strategy for the improvement of its older estates, show just what can be done when local authorities and housing associations work together in genuine partnership.

The council is also pleased that the substantial measure of tenure diversification has enabled younger residents of the neighbourhood to remain by offering the low cost units for sale. Previously the almost complete lack of houses and flats for sale in Walker resulted in prospective first time buyers having to leave the area. NBHA, for its part, feels confident it has made a useful contribution to urban renewal and confidence building. By continuing to look after the structures and landscaping on developments, the Association hopes to sustain the confidence that has been put back into these areas.

### **Clearance and rebuild in Nottingham's Hyson Green**

The case study of Hyson Green in Nottingham is of a complete clearance of 29 blocks of severely blighted five and six storey deck access flats dating from the 1960s. They are being replaced by an housing association consortium development of mixed tenure flats and houses. The development is on a highly visible site in the centre of a lively inner city neighbourhood of Nottingham. The development includes a substantial proportion of special needs housing for severely physically handicapped people, and sheltered housing for frail elderly people. The redeveloped site also includes a large ASDA superstore, included in the development programme during a short sojourn of Conservative rule in Nottingham during 1987-88.

The consortium at Hyson Green represents a partnership between the local authority and four housing associations, including a newly-founded black housing association. Although many of the original residents were rehoused, Hyson Green is of particular interest for its successful consortium approach to a problem too large for a single housing association or private developer, and for its innovative mixed tenure development package.

### ***Hyson Green***

The Hyson Green neighbourhood is just to the northwest of the city centre and consists of a mix of private, council and housing association dwellings. Four general purpose, and one special need, housing associations are active in the neighbourhood, including two of the associations in the Hyson Green consortium. Almost dead centre in Hyson Green is the council estate of the same name. Some people felt the estate gave the neighbourhood a bad name, and one report suggested it was 'one of the ugliest and most unpopular 1960s system-built developments in the Midlands' (Nottingham Community Housing Association, 1988).

Certainly the estate of 593 flats and maisonettes had problems and design defects. The Hyson Green Tenants Action Group enumerated a number, including, water penetration, dampness, condensation, poor heating arrangements, white and brown asbestos, refuse disposal problems and very poor soundproofing. Repairs and maintenance costs were twice the city average. The tenants themselves, about 25 per cent of whom were from ethnic minorities, also had problems: 90 per cent on benefits, 50 per cent unemployed, one-third single parents. The turnover rate on the estate was 30 per cent per annum, an average of 20 per cent of the tenants were on the transfer list at any one time, and rent arrears were four times the city average. There had been serious problems of arson in flats and common areas, and there was a high rate of flat abandonment. The Tenants Action Group concluded in a letter to the council:

Hyson Green flats are an island of extreme poverty in a sea of poverty ... We feel the issue of the structure cannot be considered in isolation from any of the above issues. To remedy these problems and issues is going to involve the City Council in the expenditure of many millions of pounds. It is our considered opinion, backed by an extensive survey, which you have already received, that the expenditure involved in renovation and making the present complex a reasonable place to live in, would be better spent on demolishing the flats and re-developing the area with better council housing accommodation.

In the light of this situation, the council decided to demolish the flats and to this purpose instituted a phased, supportive three year rehousing programme. It was the intention of the Housing Committee at that time (December, 1984) to 'redevelop the site with traditional public housing'.

Once the decision was made to declare the Hyson Green flats a clearance area, a sub-committee of the council was set up to oversee the operation. The flat complex was divided into seven phases which indicated the order in which

the flats would be cleared and tenants rehoused. Every tenant was sent a package which informed them of the decision to clear the flats, application forms to state their choice of area on re-allocation, arrangements for compensation and removals etc., as well as a map showing which phase their flat came into. In addition the Housing Department stopped all allocations to the Hyson Green flats. A procedure of visiting all the tenants affected, in phase order, was introduced. Housing staff on these visits checked with tenants for their future area of choice and answered any queries in relation to the clearance, availability of housing, locations, rents, and any questions about costs and payments.

Because of concerns expressed in an Interim Report on Monitoring over the development of high concentrations of persons from ethnic minorities on council estates, members of the Race and Housing Working Party approached the Housing Department to suggest that bus tours be organised in order to acquaint tenants with various other areas of the city to which they might move. These tours proved very popular. In addition, tenants were informed of the availability of housing association accommodation, and nominated to this if that was their preference.

The clearance process was completed in 1987, and had been monitored over the three years by the research section of the housing department. Demolition expenditure by the council was then spread over three subsequent years, but the bulk of the demolition was completed by 1989.

In the intervening period, cuts in HIP and capital expenditure controls precluded a council new build development. The then Labour Council turned instead to housing associations in keeping with their Strategy Statement (1987):

Efforts will be made to maximise the allocation of funds from the Housing Corporation to Housing Associations within the City. Sites in the Council's ownership will be considered for transfer to Housing Associations with loans for the association to undertake new build family accommodation for rent. Surplus sites not required for this purpose will also be considered for sale to private developers or Housing Associations to promote low cost home ownership.

Political events intervened, and in 1987 the balance of power in Nottingham's nearly hung council shifted from Labour to Conservative. The Tories took the dramatic decision to turn the site over to commercial development in a bid to attract private investment to the inner city. The grocery chain ASDA expressed an interest, and negotiations over a superstore began. The Tory leader noted:

More controversially, we are supporting the provision of an ASDA superstore ... We acknowledge that in some respects, this is a gamble, but it demonstrates our belief that these areas can be revitalised. I say it is controversial because it has unfortunately, become a political issue with the local community divided over these proposals. What is interesting is that residents have been saying that they had given up hope of large scale investment in the area (*Planning*, 1988).

In fact, the community was up in arms over lost housing, and the traffic and environmental disturbance which would accompany a superstore. A compromise was therefore agreed – eight acres would go to ASDA and 5.5 acres would go to a consortium of housing associations assembled by the Housing Department. Two associations were selected for their record in the area, Nottingham Community Housing Association (NCHA) and Metropolitan Housing Trust (MHT), each with 3,000 and 1,300 houses respectively in the Nottingham area. A bigger association with a regional office in Nottingham, North British (NBHA), was brought in for its substantial development expertise. An important addition to the Hyson Green development is the involvement of the Tuntum Housing Association, which has been allocated £450,000 to produce 20 homes for Nottingham's Afro-Carib community. The Tuntum association has grown from a coalition of black groups in the city who came together in the 1970s as a response to gaps in housing, health and welfare provision for black people. NCHA will act as the association's development agency for the scheme.

The final outline of the development scheme is still under negotiation among the consortium, but the following elements are proposed:

- about 100 rented flats and houses
- about 20 houses for low cost (shared) owner occupation
- 20 bedsits for frail elderly persons
- 29 flats for category two frail elderly persons
- Eight flats for the physically disabled.

The houses and flats are designed to relate to the existing road network, as well as to new internal cul-de-sacs, thus avoiding an isolated 'estate' feel.

As to finance, 70 per cent is through traditional Housing Corporation programmes, the remaining 30 per cent through private finance. The NCHA 1988 report comments:

In many ways this development is a shop window for the Brave New World of housing associations, where they will be expected to raise private finance to pay for a substantial part of their work. In this case £1 million of the £3.4 million of the cost of the housing project will come from private sources. The rest will be put up by the Housing Corporation. Some years ago, it would have been perfectly natural for a redevelopment of this nature to be carried out by the local authority. In today's world you will generally see housing associations as the key providers for new social housing.

### ***Conclusion***

The Hyson Green development is proving successful even before completion, and the Nottingham council is taking it as a model for dealing with other surplus inner city estates. Physically the result is in keeping with Nottingham's approach of 1970s in which intermixed council and housing association developments are indistinguishable on appearance alone. An estate which was perceived as a major blight on a neighbourhood has been removed, and an innovative mixed tenure scheme of social housing with a major retail development has taken its place. Time will tell whether the ASDA development is a positive economic and social contribution to the neighbourhood, and an important source of local employment, or whether the environmental costs outweigh local economic benefits.

The decanting process was carefully monitored by a Housing Department sensitive about its allocation policy for black people:

Through the Information Technology now available to the Housing Department, the Research Section was able to monitor all aspects of the re-housing process to see whether the allocations system treated all people fairly. That was of very great importance at Hyson Green, due to the high level of occupancy of Black people, and the concerns and allegations made about certain aspects of housing provision to Black applicants over many years.

The Monitoring exercise failed to answer all the questions and allegations, but this can only be expected. It is reasonable to say however, Black people have moved into new and very desirable properties including houses, but there is evidence of concentration within the Inner City areas and high rise flats. Reasons for these anomalies are not easy to find, but similar monitoring is continuing in relation to Denman and Connaught Gardens, and with the experiences learnt from the exercise, perhaps more defensive conclusions will be possible in the future (*Report to the Director of Housing, March 1989*).

What the monitoring exercise was unable to discover was why 89 per cent of black people, but only 50 per cent of white people, ended up rehoused in an inner city ward rather than a more suburban location. It did note however

that 58 per cent of blacks and 56 per cent of whites received their first or second choice of location. A simple explanation may be that black people prefer to live in neighbourhoods with an existing black community. In any event, the council is to be commended for its diligence in monitoring and questioning its allocation policy.

The Hyson Green development, given its high profile location in the neighbourhood, may prove to make an important contribution to the overall neighbourhood renewal process in Nottingham.

### **Neighbourhood renewal innovation in Blackburn**

In addition to recent designation as Britain's second Business in the Community (BiC) partnership city for job creation, Blackburn encompasses two innovative urban renewal projects – both still in their early phases. One is the Blackburn Urban Development Initiative (BUDI), which is intended to rehabilitate 40 acres of derelict industrial land along the Leeds-Liverpool Canal. This project, involving now almost entirely cleared land, is quite different from the general neighbourhood renewal approach which is the focus of this report, but it is described because it represents a pioneering development in organisational innovation in terms of the partnership between Blackburn Borough Council and a private sector development agency, Partnership Renewal of the Built Environment (PROBE).

By contrast, a second project in Blackburn, the Brookhouse Project, represents an outstanding model of what neighbourhood renewal is likely to encompass in the 1990s – in terms of desperate social and housing need, and in terms of a comprehensive approach to neighbourhood renewal (Figure 10.6). The Brookhouse neighbourhood is likely to be an early Renewal Area designated under the 1989 Local Government and Housing Act.

#### ***The Blackburn Urban Development Initiative***

The project covers some 40 acres of land in the Lower Audley area near the centre of Blackburn, which became a vacant inner city site as a result of clearance of unfit houses, and because of the closure of textile mills in the area. Most of the land had been cleared by the council during the previous five years, and the council had called in PROBE to look at a number of smaller sites for possible redevelopment. Instead PROBE, in a moment of vision, suggested a broad, comprehensive scheme over many inter-connecting sites, logically tied together by proximity to the canal, and of a sufficient size to qualify for Urban Renewal Grant.

The BUDI project combines commercial, retail, housing and leisure developments, and has been designed to create 'a total community environment' and to enable central government grants to be brought in as leverage to private investment at a rate of about 1:4. In partnership with the council, which is the major landowner in the area, and the British Waterways Board, PROBE has drawn up plans for schemes worth £25 million. The first phase includes an ice rink in the Audley area along with housing on the former Atlantic and Infirmary Mill sites, mainly for single people and targeted at hospital staff. There is also to be a canalside pub opposite Blackburn Royal Infirmary. Later elements include craft workshops, housing accommodation for the elderly, new shops, a 14-acre urban park and 250 homes mainly for low-cost sale but possibly including some housing association properties to rent.

The Lower Audley scheme involves land which PROBE is buying from the local authority. Under the arrangement agreed between the agency and the DoE, projects were brought forward on the site for URG and now City Grant support. The grant injection, and increases in property value that will come as the schemes gather momentum, will be used as a catalyst for further development.

One of the local authority's main contributions has been to release land at below market value, but by partnership arrangement to share equally with PROBE any enhanced value resulting from future developments. The local authority is linked to PROBE by the BUDI Development Trust which acquires land, arranges finance, and oversees development under agreement with the council. The Trust includes local residents and business persons on its board. The foundation of BUDI overcomes capital restrictions which the council would have encountered if it had attempted to undertake the project itself.

Following initial analysis and discussions, and a decision in principle to proceed, PROBE undertook a feasibility and viability study of the project. Potential sources for funding include the local authority, City Grant, European Regional Development Fund and European Social Fund, and building societies or banks. Approximately £6m of public funds is intended to generate around £19m of private investment.

A first step has been taken with the exchange of a development agreement between BUDI and a private developer, Hillcrest Homes. 49 new homes are to be provided on the Atlantic Mill site, alongside the Bolton Road canal basin. A city grant of £377,000 was negotiated to help finance the £2 million Atlantic Mill project. Further funding is being made available by the Halifax. The new homes will consist of 31 two and three-bedroomed houses and 18

two-bedroomed flats for open market sale and lease. Work began on the Atlantic Mill site in 1989. Other plans nearing fruition include sheltered homes for mentally infirm and elderly people, provided by a special needs housing association. The ice rink and urban park are also underway.

The entire project will take five years. Phase two will encompass the remainder of the housing, a restaurant and another public house and the development of the Canal Basin area, including shops and offices, to generate employment opportunities. Some of the recreational facilities such as the Visitor Centre and Craft Workshops will also be completed in phase two. General environmental improvements commenced in phase two will be completed in phase three along with the development of the central area of the site involving more employment generation projects, which it is hoped will attract the support of the European Social Fund.

### ***The lessons of BUDI***

A major early contribution of PROBE to BUDI was its perception that a number of sites could be linked together in a large scale, comprehensive redevelopment proposal. The subsequent proposal resulted in a site clearly too large for either the local authority or housing association or private developer to handle, but which if properly managed, could generate multiple reinforcing developments. The subsequent packaging of the project represented both a comprehensive development, and a vision of the future which engendered the confidence required for private investment. This packaging process, carried on without fanfare or early publicity to avoid land values leaking away, and the design, which is a complex amalgam of private and public activities, increased the value of the project and in turn encouraged further public and private input.

The council, for its part, can be credited for understanding that a major development opportunity was in the offing if a partnership arrangement could be hammered out quickly. The council also recognised that PROBE was a key to a range of private sector development and finance contacts which it couldn't hope to make on its own, including direct access to its own parent organisations, the Nationwide Anglia and the Halifax Building Societies. PROBE also had the facility and credentials to bring in URG and City Grant from DoE.

The unfolding of this BUDI development will be of great interest to anyone concerned with urban renewal, and more so to citizens of Blackburn.

### ***The Brookhouse Project***

#### *The challenge of Brookhouse*

In the late 19th and early 20th centuries, Blackburn's cotton mill owners built rows and rows of two-up, two-down, terraces on the hills around Blackburn's city centre; 25,000 pre-1919 houses in Blackburn are still standing-some only just so. Almost 70 per cent of Blackburn's houses are owner-occupied, but the fact of owner-occupation is no indication of good house condition as 4,800 houses are unfit, 3,075 lack basic amenities, and 9,900 require renovation. Many of the unfit houses are standing on ash foundations and marked by bowing walls.

Nowhere in Britain is the 'valuation gap' between cost of renovation and expected outturn value more marked. Unfit houses, most in owner occupation, have values of between £2,000 and 4,000 on 1988 estimates, and renovation investments of £10,000 to 15,000 would increase their value to less than £10,000. Nor is demolition an easy answer – overcrowding means a 3:1 house replacement ratio, but compensation to three dislodged householders would exceed the likely market value of a replacement dwelling, and displaced households would probably buy back in at the unfit end of the market.

Blackburn's worst problems are concentrated in the Brookhouse neighbourhood, which includes the Bastwell Street and Cedar Street areas. The challenge of neighbourhood renewal in these areas is set out in the Borough of Blackburn's *Brookhouse Project: Initial Report – Problems and Opportunities*.

The Brookhouse neighbourhood is located immediately to the north of the town centre on a steeply sloping site. It is an area of pre-1919 terraced housing containing 3,000 dwellings (12 per cent of all pre-1919 dwellings in the Borough), and with a population of about 15,000. The predominant tenure is owner occupation (93 per cent), with 7 per cent of households renting privately.

The Brookhouse neighbourhood contains the highest percentage of ethnic minority households in the Borough. These households are mainly of Asian origin and the socio-economic characteristics of the area reflects this background. These households tend to be large, with a lot of children, often living as an 'extended' unit with other relatives as well as parents. The Asian community is relatively young with few pensioners. The area is also characterised by high concentrations of unskilled or semi-skilled workers, high unemployment and low incomes.

Approximately 50 per cent of households in the neighbourhood have five or more people and the concentration of large households living in two or

three-bedroomed properties has led to severe overcrowding. In 1981, 70 per cent of households in Brookhouse lived at occupancy rates above one person per room (Figure 10.4).

The housing in Brookhouse suffers from a combination of structural instability and a lack of basic amenities. The original construction was poor, using cheap materials. Bulging brickwork is common because of the use of inadequate ties and the local use of weighty stone gutters. The problem of structural instability is such that entire elevations have to be shored up (Figure 10.4). Self-build single storey kitchen extensions give the appearance of what the Brookhouse Report describes as a 'shanty town'. The general environment is described accurately:

The whole environmental structure is crumbling with an air of neglect and deterioration which is hard to imagine without visiting the area.

Blackburn's *Housing Strategy Statement* (1989/90) outlines the three main problems of poor owners occupiers in Brookhouse (and elsewhere). First, owners have difficulty in finding their contribution to the cost of improvements, even at high rates of grant. The incentive to invest is low because of declining, static or very slowly moving house prices. Second, some owners fall into arrears on mortgage repayments. If they are faced with repossession by the lender and the probability that the sale of the house will not cover the outstanding loan, it is not uncommon for owners to abandon the property. Vacant and derelict properties are the result. Third, clearance compensation is insufficient to fund decent quality replacement housing. Some households move out of one clearance area only to find the area into which they have moved is subsequently designated for clearance.

Low house prices in the private sector and rising rents for council houses cause problems for Blackburn's council estate managers also, and the HIP submission notes 'close correlation between problems in the private sector and problems in the public sector'. One indication is an 19 per cent annual turnover rate (in 1987/88), one of the highest in the county. This is attributed to the types of households which apply for Council housing by the Housing Strategy Statement (p.8).

- The unemployed (40 per cent of applicants). Once a household member finds employment and may no longer be eligible for housing benefit, there is often a move into owner occupation at the lower ends of the market.
- The young (37 per cent of applicants aged 25 or under). Many young applicants (19 percent) are unemployed. Some move to seek employment.

**Figure 10.4** The Brookhouse neighbourhood – private housing conditions

Source: Borough of Blackburn *Brookhouse Project Initial Report*.

Those who are in employment are likely to enter owner occupation when they get married.

- Single parent households (24 per cent of applicants) also tend to be young and insecure in their economic and social status. A change in circumstances e.g. finding a job, getting married, moving nearer parents, is likely to lead to termination of the council tenancy.
- Households moving to Blackburn to take a job are attracted by the easy access to council housing. However, once they take up their tenancy they tend to move into owner occupation as soon as possible.

It is worth noting that as council and housing association rents rise, transfers and subsequent problems of low income occupation may worsen. Expectations of owner investment and partial grant take-up for rehabilitation must be correspondingly low.

### ***The Brookhouse strategy***

Brookhouse is the site of the Council's first Housing Action Area, declared in 1975. An HAA team promoted home improvement grants, and the policy adopted was to concentrate on the provision of additional living space (kitchen and bathroom extensions) rather than the resolution of the structural defects of the main dwellings. The policy was implicitly an holding operation. In 1978 a second HAA was declared, but policy shifted towards the resolution of structural problems as a condition of grant aid, at the expense of enlarging the size of the accommodation. About 35 per cent of Brookhouse's terraces were covered by HAAs, about £2 million of grant aid was spent in these two areas, and the majority of the houses were improved to a reasonable standard. There are still, however, many individual unimproved properties as well as environmental problems in these former HAAs.

The relationship between problems in the private and public housing sectors in Blackburn led the council to recognise the need for an overall housing strategy, designed to minimise the risk that improvements in one area reduce demand and lead to a decline elsewhere. The strategy involves area based renewal in both the public and private sectors, and targeted new housebuilding. The essence of the renewal strategy is that public and private sector programmes are complementary. Success in one sector is intended to help towards success in the other sectors and bring closer the realisation of the overall strategy.

The Brookhouse neighbourhood has been selected as a pilot for the area renewal strategy, and the neighbourhood has been defined to include about

3,000 private houses and two council estates of 431 and 211 dwellings respectively. The intention is to involve a range of public and private sector agencies in rehabilitation, clearance, and newbuild, all co-ordinated from a local area office, which will consult closely with the local, predominantly Asian, community. The adjacent council estates are seen as a valuable resource for rehousing, particularly if an Estate Action submission is approved.

The next steps leading up to the declaration of a Renewal Area under the Local Government and Housing Act, after April 1990, is the development of a detailed renewal strategy and report. The following elements of a strategy for neighbourhood renewal have been set out by the council:

*Housing issues*

The feasibility of improvement and clearance/redevelopment as options for the renewal of all the existing owner-occupied housing in the area. This analysis is to be in accordance with the Government's latest proposals on Renewal Areas.

The potential for future private sector developments, either with or without City Grant support. Research into resident's housing preferences and their potential purchasing power is proposed.

Detailed feasibility assessments of potential redevelopment sites and indications of possible subsidy/gearing levels.

The future need for rented housing in Brookhouse and in particular the ability of residents to 'afford' rented housing. In addition the usage of existing Council rented housing as a 'resource'.

The potential and role of other forms of housing investment, e.g. shared ownership, self build.

*Economic issues*

The potential for generating employment in Brookhouse.

The future need for shopping outlets to serve the local Community.

The identification of land for housing.

The potential for generating employment in Brookhouse and in particular the future need for industrial accommodation.

The possibility of community based employment initiatives.

## *Housing and Neighbourhood Renewal*

### *Environmental issues*

The requirements for play and recreation facilities.

The requirements for open space/landscaping in the area.

Both the above assessments to be tailored to the needs of the local community.

### *Social issues*

The future demographic structure of Brookhouse.

The consequent educational, health, religious and community facility requirements of Brookhouse.

The 'special' social characteristics of the area.

The study will need to identify the consequences of the strategy which impact outside the study area.

### *Highway/transport issues*

Road safety traffic management, and highway requirements.

Car ownership levels.

Public transport requirements.

The study will then produce:

A long-term renewal strategy document for the area, detailing proposals with regard to the above categories.

Options for housing renewal which will identify future proposals for clearance/redevelopment and improvement.

Detail of the investment and agencies needed for implementation.

Feasibility Assessments for redevelopment proposals.

A land-use plan for the area arising from the strategy.

Blackburn Borough Council already has a number of partnership-type initiatives underway in the Brookhouse area and these will be incorporated into the renewal area schemes. These include a partnership with Norwest Holst to provide 135 new build properties for sale, and two sites for housing association developments, by North British and Northern Counties respectively.

### ***Conclusions***

The dramatic problems represented in the Brookhouse area of Blackburn may become more typical as council rents rise and very low housing prices tempt people into owner occupation in marginal conditions. Certainly the scale of the problem in Brookhouse is such that the private sector could not be expected to come to grips with it, and substantial public investment must be indicated. There are two implications of this for the implementation of statutory Renewal Area policy:

- The overall amount of Exchequer investment will be crucial to the degree in which housing problems are ameliorated by Renewal Area schemes; and
- Past experience of low levels of small household investment in maintenance and repair, and low incentive to invest because of very low house prices, will have implications for take-up of non-mandatory repairs grants.

It is of course also odd that given the scale of deprivation in Blackburn, and a 1988/99 HIP allocation of £5.25m on a £26.33m bid, that something productive couldn't be undertaken with the £7m in capital receipts which Blackburn has currently invested in money markets, and which it is not allowed to spend.

### **Neighbourhood renewal in Birmingham**

During the 1950s and 60s, one of the largest house clearance programmes in the country was undertaken in Birmingham, making way for large scale redevelopment. By the 1970s, however, the City Council recognised that, in its terms, 'over-enthusiastic bulldozer usage' had: forced inner city residents out of traditional neighbourhoods to the suburbs, was biased against ethnic minorities, and was destroying housing faster than it could conceivably be created. The consequent disruption of communities and the overall cost of this approach led to a shift in emphasis towards urban regeneration and improvement, and the conservation of existing houses and neighbourhoods.

The 1974 Housing Act centrally sanctioned and funded area improvement. However, the City identified three constraints stemming from the Act which hindered area its renewal attempts. First, rateable value figures, included to target grants to poor areas, were too low to help the owners of larger inner city properties, often multi-occupied. Second, the rateable value limits operated against the immigrant owner occupiers who lost their properties through Housing Action Area Compulsory Purchase Orders. Third, the level of grant was too low for the improvement of many inner city properties. Only those

who were better off could afford to make use of them, so the scheme promoted further compulsory purchases.

### ***Birmingham's enveloping schemes***

The City's response was the innovative 'enveloping' approach, which is an external improvement scheme designed to renovate complete terraces of property within housing action areas. Residents are involved in the design and implementation of the scheme, in order to begin a process by which confidence is re-created in run-down areas.

When a Housing Action Area is declared, an envelope contract is set up. This uses a large contractor to refurbish the outside of properties in the area, at no cost to the residents. The work is supervised by the city architect. This is followed by improvement grant works to the inside of properties. Such grants have an element of owner's contribution, set by law, together with special hardship provisions.

A typical envelope scheme includes renewal of the roof, rebuilding of the chimneys, replacement of rainwater gutters and downpipes, replacement of windows and external doors, repairs to brickwork and masonry, replacement of lead water services, repairs to the drainage system, environmental works including boundary wall and fences, front paving and rear access way, and insulation of the roof space.

Enveloping, centrally sanctioned by DoE Circular in 1984, secures the structural and external fabric of the house, but not the inside of the house or the environment. The City therefore extends enveloping towards a neighbourhood renewal approach by:

- targeted home improvement grants based on standardised modules of work and prices (now however curtailed by cuts in capital allocations);
- environmental improvements including repairing and tree planting;
- shopping area enveloping schemes designed to improve the street scene and encourage further private investment;
- Housing Action Teams to assist landlords to improve houses in multiple occupation.

The City also developed an employment initiative (the Broughton Road scheme) designed to ensure that investment in enveloping schemes would be used to provide training in construction skills and employment for area residents. This however fell foul of the government's ban on contract compliance.

Birmingham therefore has both an enviable policy and record in area neighbourhood renewal efforts. Two examples demonstrate possible directions for these efforts: The Neighbourhood Renewal Strategy for Saltley, and the Sparkbrook Neighbourhood Initiative. The Strategy in Saltley is, at present, council-led; the Sparkbrook Initiative is led by a partnership of local housing associations.

### ***The Saltley Strategy***

The Saltley area of the City lies two miles east of the city centre. It is an area of predominantly owner occupied housing with some interspersed industry and little open space. There are approximately 1,200 houses within the area, predominantly small three bedroomed terraced properties built about the turn of the century. Generally their condition is characterised by disrepair, missing amenities, varying degrees of structural instability and dampness. House prices in the area, where the City Council has yet to be active, range from £12,000 to £19,000 for a typical three bedroomed terraced house. The higher prices are found in the areas closest to where there has been an active improvement programme.

The council's *South Saltley Social Survey* provides basic statistics on the area:

Owner occupation	60% (predominantly freehold)
Housing department	3%
Housing Association	5%
Private landlords	16%
Voids	10%-15%
Ethnic minority (predominantly Asian, Pakistani)	66%
Head of household unemployed	58%
Families who would prefer to remain in the area:	
70% of total population	
80% of Pakistani population	
Bedroom needs:	
3 bed	72%
4 bed	20%
5+ bed	5%

A council-funded study of unemployment in Saltley and adjacent neighbourhoods (Brown and MacFarlane, 1989 cited in the Saltley Strategy document) reports percentages of people unemployed for over two years as:

	per cent
White	53
Asian	65
Afro-Caribbean	84

Earning levels for those in employment are more or less equal across racial groups – an average of 47 per cent of households earn less than £100 per week.

In response to these conditions, the council established a Saltley steering group in 1987, and undertook an individual house condition survey. This enabled a value for money exercise to be carried out and the properties classified according to their condition into one of four categories ranging from definite clearance to definite retention. In addition to the 124 properties which have been classified for clearance, a further 134 are also considered as likely to require clearance in future. Many of the remainder of the houses are to be renovated by a number of schemes, and the council has put Saltley forward as a pilot Renewal Area under the Local Government and Housing Act 1989.

The steering group was established with representatives from housing associations active in the area and officers from a number of departments, together with a representative from the Housing Corporation and Community Forum, which is an umbrella organisation for residents association and other community groups in Birmingham. This group's terms of reference were:

- to co-ordinate the work of housing associations working within Saltley
- to ensure that rehousing opportunities are available to those displaced by clearance activity in the area
- to argue for more resources for the area and ensure those resources allocated to it are not spent elsewhere
- to involve local residents in housing association work in Saltley by strengthening existing associations, or establishing a new housing association, and
- to make the clearance process easier for local residents.

During 1988 the government decided to provide additional targeted HIP money for experiments in new approaches to urban renewal, including some trial renewal areas. A number of areas were identified as being suitable for this approach, but in particular the South Saltley and Little Bromwich areas are considered to be most appropriate, covering an area of differing housing stock and, as such, being suitable for a pilot scheme requiring a range of solutions. The Department of the Environment responded to Birmingham's

bid by allocating £3.5 million to Saltley. The Saltley scheme now has officer steering groups which include senior representatives from most of the City's departments as well as the Department of the Environment, the Department of Trade and Industry and the housing association movement (Morris and Setchall, 1989, p.143).

The revised renewal area strategy team set out a broad set of objectives for neighbourhood renewal, based on 'a partnership approach between the public and private sectors':

- A partnership between the City Council, Central Government, private sector and local residents for the comprehensive co-ordinated regeneration of the area.
- Improvements to the housing, commercial establishments and environment, through major refurbishment and re-modelling using private and public finance.
- Selective demolition of the worst housing and redevelopment by the private sector and housing associations.
- The restoration of confidence in the area.
- The improvement of job opportunities and provision of living in the area.
- The improvement of the health and well being of residents living in the area.
- Improved security and reduced crime in the area (Birmingham City Council, 1988).

In addition, a new community based housing association is shortly due to be considered for registration by the Housing Corporation. When registered, Saltley Mashriq will become the lead association in the area, catering in the main for the large Asian community within Saltley who wish to be rehoused locally. Mashriq has been set up with substantial assistance from Birmingham Friendship Housing Association, also one of the partners in the Sparkbrook Neighbourhood Initiative. The Housing Corporation has set aside £800,000 for development planned originally by Friendship that will be transferred to the new association when registration is achieved. The City Council expects that Mashriq will be actively involved with the clearance proposals for the area by offering such facilities as short life housing and a 'patch and mend' agency.

Between 10 per cent and 15 per cent of the properties in the area are vacant. They are scattered across the stock of dwellings likely to be cleared and retained. The City's intention is that these dwellings are brought back into

use through a mixture of Improvement for Sale, homesteading, private developer improvement and housing association improvement, all linked into the rehousing and restructuring process.

As early as 1986 the area team in Saltley recognised a need to consider new approaches to urban renewal which reflected the complex interaction of social and economic problems and opportunities in the area. An interdepartmental officers working group was established to develop a strategy leading to area renewal. Information relating to the area was gathered under three headings: house condition survey, social survey and area plan issues, in order that the problems facing the area could be understood and diagnosed before considering the way forward.

One aspect of the proposed strategy involves significant clearance affecting a population with very strong community ties and local rehousing preferences. The City argues that clearance 'represents the solution for houses beyond economic retention and releases land for development', but recognises that the 'process has unwanted effects and generates opposition'. The City's response has been two-fold. First, it has commissioned Community Forum to consider how to make the process more acceptable to area residents. A project worker was hired via the Inner City Partnership Programme to undertake work on this. Second, the council is reviewing its approach to assessing the need for clearance and is developing a system which has considerable similarities to those underlying the Department of the Environment's own renewal assessment approach. It is intended that the lessons from both these exercises will be built into the revitalisation of South Saltley.

The Neighbourhood Renewal Assessment methodology involves a physical and social survey of an area combined with a computer program capable of costing different options on an individual house, block or area basis. Six trial schemes, including Saltley, are being evaluated by a management consultant. When the assessment methodology is refined it is likely to be a prerequisite for declaration of all housing renewal areas.

Finally, the City has addressed the issue of employment. An employment study of the area was presented to the Economic Development Committee in April 1988. As a result the City Council intends to:

- (i) investigate ways of improving access to adult training provision for Saltley residents;
- (ii) investigate means of strengthening the links between the Urban Renewal Programme and construction and allied trades;

- (iii) undertake further work on strengthening the economic base of the nearby Alum Rock Road shopping area;
- (iv) enter negotiations with interested local employers to determine the full financial implications of a community employment agency and to evaluate other potential sources of funding and resources.

Overall, the City is also exploring the institutional mechanisms for implementing the redevelopment strategy, and the financial sources from which the strategy could be funded. One possibility is a multi-partner joint venture utilising a mix of funding from private sector, property equity from individual owners, Housing Investment Programme, City Grant, Housing Corporation funding, Inner City Partnership funding and Department of Trade and Industry funding for job schemes.

The joint venture company would be made up of representatives of the City Council, private developers and financial institutions (Birmingham Environmental Services, n.d., p.13). Residents' views and opinions are to be taken into account, but there is no mention of residents, or voluntary or community organisations, being drawn into the partnership arrangements.

### ***Conclusion***

The Saltley Strategy represents a comprehensive approach to neighbourhood renewal, and is probably being considered as a model for Renewal Areas specified in the Local Government and Housing Act. There appear to be two dangers in the approach. First, there is the risk that the council (through its Urban Renewal division) in conjunction with private developers and finance, are engaged in a 'top-down' redevelopment in which local residents give their views and are 'educated' but are not considered to be active participants in the renewal process beyond housing improvement schemes. Second, the City's enthusiasm for a clearance programme may be hasty. Opposition to past clearance has been for sound reasons, and clearance must be approached with great caution. However, the forthcoming report from Community Forum may provide guidance on this matter.

### ***Neighbourhood renewal in Sparkbrook***

Chapter 5 described the objectives of the Sparkbrook Neighbourhood Agency (SNA), England's first neighbourhood improvement agency. SNA is in turn an outgrowth of two local housing associations – Shape and Birmingham Friendship – and has the active support of the City, the Housing Corporation and the Nationwide Anglia Building Society. A representative of the building

society sits on the steering group of the initiative, arranges loan packages to area residents for rehabilitation, and considers issues of grant take-up.

### ***The Sparkbrook neighbourhood***

Sparkbrook is one of Birmingham's most mixed neighbourhoods, with at least a dozen ethnic communities. As in many neighbourhoods in need of neighbourhood renewal, tenures are also mixed (Figure 10.5).

**Figure 10.5 Tenure in Sparkbrook**

Tenure	Percentage	
	Study area	Birmingham
Owner occupation	41.9	52.6
Local authority	30.1	34.7
Housing association	9.7	4.0
Rented with employment	1.0	1.1
Rented unfurnished	8.0	4.7
Rented furnished	9.3	3.0
Total	100.0	100.0

Source: 1981 Census (cited in Brown and Morris, 1987)

Sparkbrook is also one of the poorest neighbourhoods in Birmingham, and ranks in the top 2.5 per cent of deprived areas nationally. Unemployment is the highest in Birmingham, at over 40 per cent. An analysis of the 39 electoral wards in the City for 12 indicators of deprivation showed that wards with high levels of deprivation tended also to have high levels of stillbirths and infant deaths, low birth weights and higher death rates for adults. Most of these wards were located in the inner city, Sparkbrook being one of the two with the highest level of ill health in the City.

The key problems of Sparkbrook were identified in a study carried out in 1987 for the Birmingham Friendship Housing Association (Brown and Morris, p.92) as 'shortage, shortage of housing, shortage of jobs, shortages of open space ... and schools and land'. In terms of housing, the neighbourhood's council estates, one of which is designated for Estate Action, are in better condition than housing in private ownership. Problems exist both in owner occupied housing and in houses in multiple occupation (HMOs). Most of the houses in owner occupation are pre-1919 houses with values of £12,000 to £18,000 in 1987. Brown and Morris (p.57) report an over-representation in owner occupation of most of the housing problems and groups associated with housing need that can be identified from the census. Just over 40 per cent of

the properties lacking exclusive use of basic amenities are in the owner occupied sector, 60 per cent of overcrowding, almost 70 per cent of 6 and 7 person households, and about 45 per cent of those over 75 and of pensioner only households. A majority of Asian households are owner occupiers, corresponding with an overall 76 per cent of Indian, Pakistani and Bangladeshi households being owner occupiers in Birmingham.

There is considerable evidence of overcrowding in Sparkbrook. The 1981 census shows 5,519 three, four or five person households in the study area of which 1,745 households (32 per cent) live at a density of more than one person per room. Brown and Morris (p.29) report a long waiting list for three bedroom council houses in the estates in Sparkbrook with total stock of 835 and only 18 per annum becoming vacant. The waiting list for 1985 registered 351 families wanting three bedroom accommodation.

The 1981 census also shows the area to have 2,507 six or more person households, 61 per cent of which live at more than one person per room. Within the area the census shows 920 households containing two or more families, many with children. There were also 544 households in non-self contained accommodation. Brown and Morris (p.30) caution however that it is not possible to identify how many of these people live together as extended families by choice. It is also the case that many of the Asian families in Sparkbrook are from the same nearby villages in Asia and choose to remain in close proximity.

High levels of unemployment were identified by Brown and Morris (p.56) as causing major problems for the continued ability of the local population to buy and maintain their own homes. Asians in their study identified it as a particular problem for their own community and in particular for younger individuals and families wishing to set up homes for the first time. The scale of this problem is likely to increase as the Asian population is having its access to owner occupation restricted at the time that the pressure for new household formation is intensifying.

Large families are also reported to have had difficulty because the housing associations and the council have primarily provided small dwellings. Some 80 per cent of housing association stock in the area is only one or two bedroom, with only 17 per cent being six or seven room property as opposed to 34 per cent for the area overall. The problem is worsening because of the age structure of Asian households and a high rate of family formation. Other problems of overcrowding and poverty exist in numerous houses in multiple occupation, also in the private sector.

The report commissioned by the BFHA found that despite the efforts of the City Council and local housing associations, the housing situation in Sparkbrook is growing increasingly desperate and at least more 6,000 households require a home than there are dwellings available in the area. The report identifies an urgent and largely unmet housing need for large families, especially Asian, black elderly people, young families, childless couples and single people. The report is also concerned about low levels of accommodation people who have a mental illness or mental handicap, especially those now leaving hospital and requiring care and support in the community, and ex-offenders and other special needs groups such as alcoholics and drug abusers.

The report argues that housing agencies aiming to meet housing need lack co-ordination. For example, the report identified 17 housing associations working in the Sparkbrook area. Between them there appears to be:

- little or no sharing of information, with programmes often developed independently;
- considerable confusion as to their role; and
- uncertainty as to whether the housing needs of particular groups in special need were being met.

The report criticises the City Council on the grounds that various local authority plans and policies do not relate to each other very well – often reflecting the priorities of different departments of the council. It recommends an effective local housing strategy for Sparkbrook.

### ***The Sparkbrook Neighbourhood Agency***

Against this background of social needs and a failure of institutional response, the Sparkbrook Neighbourhood Agency (SNA) was set up. SNA is a partnership between two local housing associations and the community, and other agencies relevant to the community's needs. It has no legal structure and only a single full time employee paid from Inner City Partnership Programme funds.

In part SNA is based on recognition by the founding housing associations that past efforts, including HAA designation, were not enough and that there is a danger that having tried one of two urban renewal approaches in Sparkbrook, agencies and funding would give up and go elsewhere. The SNA states:

But so deep has the decline of the private market been that, coupled with the effect of recent reductions in main Government spending, these efforts have only served to slow down rather than reverse the rate at which the areas are going downhill.

Until recently, local Councils have borne the main burden of trying to stop the rot. But we are now realising that the scale of the problem is so great that a way must be found to draw in a whole variety of different skills and resources into neighbourhood programmes. We know, too, that local people must have a real opportunity to commit themselves to work for the improvement of their areas.

SNA's first task was to prepare *A Neighbourhood Prospectus* which set out its specific objective of tackling 'East Sparkbrook Hot Spots' – obvious and visible problems which, when solved, would not only improve the neighbourhood but lend credence to the Partnership approach in which the community was actively involved (Figure 10.6).

**Figure 10.6 Neighbourhood focus: East Sparkbrook hot spots**

The Partnership can now point to substantive progress:

- Considerable Housing Corporation investment to provide new rental housing.
- Tackling the most intractable housing problem in the area, the Zambesi Cafe doss house, by refurbishment of three properties providing 40 furnished bedsits.
- Rescuing a local metalwork and horticulture employment scheme from closure.
- Supporting local authority improvement grant work for low income owner occupiers in the area.
- Developing empty flats above shops to create additional rental property.
- Offering security packages to local people, particularly the elderly, plus a minor repair scheme, administered by a Sparkbrook Area Caretaker.
- Working with local residents groups to use unemployed people on local developments. At present many jobs in Sparkbrook are held by non-residents.
- Making links with private sector organisations, particularly banks and building societies, who have already invested in NIA projects.
- In cooperation with the East Sparkbrook Residents Group, repairing of listed, derelict houses for use as starter workshops for local people interested in starting small businesses.
- A development plan for a neighbourhood park.
- Discussions with social services with a view to establishing lunch clubs four days a week at different venues.
- Bringing in Shape Urban Renewal Enterprises (SURE) Ltd as approved managing agency for the Community Programme. Linking the Community Programme with the company's architectural practice to develop local project management for worthwhile schemes. The agency already undertakes work to clear and tidy vacant sites, and to assist elderly people in maintaining their property and gardens by a neighbourhood Care and Repair scheme.

***SNA: the next steps***

The steps identified in the first prospectus represented the founding organisations' direct experience in housing and environmental improvement. The SNA has now identified a number of further steps to extend the renewal programme and to broaden the extent of local participation (Wadhams, 1989).

First, there will be programmes which create local employment initially through the Training Commission and then through the encouragement and support of direct labour schemes. One part of the area requires a home improvement service and it is part of the programme to assess the viability of this in the wider context of the Neighbourhood Agency, rather than let it stand alone. The interest in home improvement recognises the influence on the agency of the NHIC's Neighbourhood Revitalisation Service, but notes that this lacks SNA's housing association link to new build programmes.

Second, SNA hopes to help establish an effective neighbourhood board rather than continue to rely on links with key people and organisations in Sparkbrook. This will help broaden the base of participation in the neighbourhood. Third, SNA hopes to promote greater involvement of building societies and the local commercial sector in renewal activities.

Fourth, SNA, and its housing association founders, are committed to helping establish new neighbourhood agencies and housing associations in Sparkbrook and elsewhere to further decentralise power and control over elements of daily living. For example, in the Barber Trust area of Sparkbrook there are 1,200 turn of the century houses, built by a charitable trust but given over to the city in the 1960s. About half of these houses are now owner occupied but the area could not be declared an HAA or GIA because of the high level of local authority ownership. Improvement grants are not therefore available. SNA has proposed a Barber Housing Improvement Service to assist home owners in the area to improve their houses. This involves:

- A Project Co-ordinator, already in post and responsible for the management of the whole project.
- An Architectural Agency experienced in project management – this service is provided by the architects of Shape Urban Renewal Enterprises (SURE), a non-profit company started by SHAPE.
- An appropriate grant structure geared to unlocking equity from owners.
- Local facilities via financial institutions.

The last point brings attention to two important aspects of future housing association activity in neighbourhood renewal:

- Housing associations with interest and experience in neighbourhood renewal can empower local communities and transfer knowledge by assisting in the setting up of other community based organisations.
- This approach may play an important role in the refurbishment of council estates by the establishment of local, estate based, associations.

### **City-wide neighbourhood renewal in Sheffield**

#### ***Partnership city***

Nowhere in England has the politics of ‘getting things done’ more firmly replaced the politics of confrontation than in Sheffield, a place that now likes to be called ‘the partnership city’. The bad old days of total non-cooperation between City Council and business are described by the president of the Sheffield Chamber of Commerce in the magazine of the Yorkshire and Humberside Development Association:

We got pretty close to the abyss. To total, absolute non-communication, each side contributing by airing its grievances in public and so depressing the followers of both sides. There had been a sudden collapse of our industrial base and we were all so shaken that we started blaming each other (Adsetts, 1989).

The current spirit of enthusiasm for joint action could not be more different. This is captured in a quote in the same magazine:

A new spirit is sweeping through Sheffield. Within the last two years a close partnership has developed between the private and public sectors. It is something special. Partnership in Action, in which all sections of the community have been involved, has had a major impact on Sheffield’s rebirth. The starting point for the move was a decision by the private and public sectors to ignore their differences as much as possible and to concentrate instead on what they had in common. About time, too, many people thought.

Even more than the Partnership, perhaps nothing reflects the new found pragmatism more than the City Council’s agreement to cooperate with the central government imposed Lower Don Valley Urban Development Corporation. This UDC was central government’s condition for injection of £50m into the largely derelict industrial area. The city’s agreement in turn was largely contingent on a commitment by the UDC to close liaison with the city on its economic regeneration strategy.

The spirit of a cooperation has now extended to many areas, including to the hosting of the 1991 World Student Games. The games village is being

constructed out of the infamous Hyde Park estate, with the assistance of Northern Counties Housing Association and the Hyde Park tenants action group. The tenants successfully campaigned for a rehousing programme to allow them to be rehoused together.

Within Sheffield City Council, the new spirit is reflected in corporate and departmental commitment to partnership arrangements with private and independent agencies. Similarly, there is commitment to looking at social and economic needs in an integrated way, including housing needs and opportunities, the safety and security of communities, and training and employment opportunities.

More specifically, the City's Housing Strategy includes:

- co-ordinated approaches through the partnership model;
- providing new homes to meet needs by the redevelopment of sites on a mixed tenure basis;
- repair and refurbishment, and more responsive management of public sector stock;
- improvement and enforcement in the private sector;
- a variety of strategies aimed at preventing homelessness and responding to the needs of homeless households;
- increased attention to the needs of disadvantaged sections of the community; and
- innovative land policies.

### ***The housing challenge***

The problems addressed by the new policies are as wide-ranging as the policies themselves. One challenge has been the collapse of the steel industry and the drastic social costs of industrial decline with the loss of 40,000 jobs. Another is the usual dire problems of system built estates like Hyde Park. An equally difficult problem is the structural inadequacy of around 5,000 interwar houses. Stewart et al. (1988, p.10) summarise the overall situation in the public sector:

The physical fabric of Sheffield's publicly owned stock is deteriorating rapidly. The Council faces the obsolescence and premature structural decay of the pre 1939 stock; the structural weakness of the post-war stock which was built to non-traditional designs; disrepair in the early post-war traditional stock and the social and physical failures of the high rise blocks and deck access estates of the 1960s and 1970s.

While this litany of housing defects is not uncommon, there is one notable difference between the situation in Sheffield and in other northern industrial centres. Sheffield's population decline has been very low, in spite of industrial decline, and Sheffield has not had the latitude of operation which a high vacancy rate in council stock confers. This has meant increased pressure on existing stock if replacement rates are not kept up. However capital constraints have precluded most council building, and the reduced rates of economic activity associated with industrial decline have precluded home ownership for many. Sheffield faced a real challenge to resolve these tensions.

***The Sheffield-UKHT partnership***

The realisation that not only did system built estates need clearance and/or refurbishment, but that thousands of inter war houses were inadequate was the spur to the Sheffield-United Kingdom Housing Trust partnership. The problem is described by Thake (1987b, p.3) as having its origins in the 1920s and 1930s when the Sheffield City Council built low rise terraced housing units in the popular garden city style using traditional building methods. These estates are of two-storey brick construction with tiled roofs and wooden windows. The neighbourhoods have wide walkways, hedges, open spaces, shops, surgeries, schools, and pubs. In short, they were complete communities.

However, possibly as many as 18,000 of these houses were constructed using the waste products of a steel making process. Here slag from steel manufacturing was ground up and recycled as aggregate in the mortar of the brickwork. The black mortar made an interesting architectural detail, but unfortunately contains sulphur salts, which when dampened by water penetration, forms sulphurous acid which disintegrates the wall-ties that hold together the inner and outer walls.

This is an irreversible process and the housing has become progressively unsound. Walls have bulged and fallen out of alignment and lintels have cracked and slipped. Many of the houses are now uninhabitable. The problem has been dealt with as an environmental health problem, and the affected houses declared slums. Attempts had been made to renovate some of the properties, but as the true nature of the problem became more obvious, the improvement programme seemed a waste of scarce resources and was stopped. The current estimate of problems caused by black mortar stands at around 5,000 houses. On the worst hit Manor Estate, for example, one half of the two thousand homes had been boarded up or demolished. This level of dereliction was destroying an established community and radical initiatives

were required. This had to be outside of the usual HIP programme, in which new construction had dwindled to near nothing.

A source in *Building Design* traces the inspiration for Sheffield's partnership approach to council members' attendance at a speech by Tim Melville-Ross of the then Nationwide Building Society, in which he spoke of his society's interests in providing capital for rented housing (Swenarton, 1988). But when the leader of Sheffield council pursued this idea, it was found that a building society role as developer was constrained by statutory restrictions. Sheffield turned instead to the United Kingdom Housing Trust (UKHT) as a prospective partner. UKHT was known as 'a small housing association with a reputation for innovative ventures ... and a keen interest in the policies of tenant participation' (Swenarton, 1988).

Three objectives were set out for the proposed partnership (Thake, 1987b, p.5). First, to replace the housing lost through the enforced demolition programme. Second, to help regenerate the communities undermined by demolition. Third, to regenerate the local economy in such a way as to create lasting jobs in the community and to enable the economic benefits created to remain within the local economy as long as possible.

The first clause of the Partnership Agreement, signed in December 1986, states: 'this Agreement is made not merely between the Council and a developer to build houses, but one between the Council, a registered housing association, tenants and local community groups to build and regenerate communities within the City of Sheffield'. The partners in the development are Sheffield City Council, UKHT, the community groups, a number of smaller specialist housing associations, private builders, and financial organisations including Nationwide Anglia Building Society and a consortium led by Banque Nationale de Paris.

The principal developer for the partnership is UKHT. The Trust is a registered charitable housing association, and has around 4,000 tenancies in London, South East, Bristol and the East Midlands. Part of its work has been traditional housing association rehabilitation of older properties. But the Trust also looks for other ways of providing housing, and mixed tenure schemes in Reading, Cardiff, Hounslow, Milton Keynes, Hertsmere and Camden have all made use of public and private sector funding to provide combinations of rented, shared ownership and cost-sale housing. The pioneering Elm Village development in Camden was discussed earlier.

The Sheffield partnership scheme will provide approximately 4,000 new dwellings, making it the largest single programme development of new housing units in Britain (Figure 10.7). Of the 4,000 dwellings, 2,800 will be

**Figure 10.7 Sheffield Partnership Scheme: neighbourhood developments**

Source: Sheffield Partnership.

for rent, 400 for shared ownership and 800 for sale. About 600 of the dwellings will be built on land used for existing housing, and the remainder on council-owned sites being released for building. UKHT will develop and own the 2,800 dwellings for rent, of which 2,400 will be managed by the City Council and 400 managed by UKHT. Four hundred dwellings will be developed and sold on a shared ownership basis by Kingdomwide Developments Ltd, a wholly owned subsidiary of UKHT, providing low-cost home ownership for first time buyers and other agencies. Local developers will build and sell 800 dwellings. This scheme is to be completed in 5 years.

UKHT is the developer, building on the partnership's behalf. It purchases 99-year leases on the local authority sites, and designs and builds the properties within the terms of a development agreement. On completion, the occupants of these dwellings are UKHT housing association tenants, and paying a UKHT rent rather than a local authority rent. The local authority however will manage its designated properties on behalf of the housing association, under the terms of a management agreement. The 200 dwellings managed by UKHT itself will have 60 per cent of the tenancies nominated by the council.

The units which the local authority will manage will include tenant management schemes and cooperatives. In addition, the tenants will have an effective appeal mechanism against poor housing management performance. If tenants find that the local authority is failing to act as responsible property managers, they will be able to take their complaints to UKHT as 'superior landlords', who are prepared to intervene as necessary.

### ***Basic principles of the Sheffield partnership***

The basic principles which underline the Sheffield Partnership include the following:

- New build homes in indistinguishable mixed tenure arrangements, which avoid ghettoisation of any tenure or income or racial group.
- Active involvement of local communities in housing and environmental design, and in a broader community regeneration process.
- Neighbourhood partnership offices, and the provision of project and community development workers active in the community.
- Breakdown of the building programmes into units of 50-100 dwellings, a figure intended to provide a manageable and readily comprehensible development unit on a human scale.

- An integrated development programme in which the provision of housing, physical infrastructure and landscaping is complemented by local authority targeting of social services, leisure, education, health and other housing programmes into the neighbourhoods of the partnership building programme. The programme is intended to benefit residents not moving house, as well as those being rehoused.
- Economic strategies which attempt to 'capture' locally as many as possible of the benefits of this £200m housing investment programme, and to help re-establish the economic base of Sheffield.
- Strategies to create jobs and increase the economic base in ways that match the potential and skills of local residents. Assistance in the creation of local businesses whose profits will be reinvested in the community, and which can become local suppliers of skills and the materials to the redevelopment process. Breaking up the scale of the development process into smaller units of 50 to 100 houses is also designed to make it easier for local companies to bid for contracts of manageable proportions.

### ***Organisation of the partnership***

The partnership structure prevents the domination of one partner over the other. The local authority is no longer a unitary agency, acting as developer, property manager, landlord, and provider of planning or valuation services. Instead the Trust takes responsibility for the consultation and design process, and the commissioning of the construction contracts. In return, the local authority manages new properties designed to its own standards.

The staffing structure of the partnership team reflects its community-oriented approach (UKHT, 1988b, p.80). The construction programme is managed by three core teams, each with a development worker in charge of the technical aspects of the scheme, and a neighbourhood worker responsible for undertaking community consultation and liaison. The development schedule is not governed by development priorities alone, but allows the time necessary for effective consultation. The joint commitment by Sheffield City Council and UKHT to equal opportunities requires that every effort is made to consult all community groups which may have a contribution to make, including black groups, elderly people, parents with children, and people with disabilities.

Consultation is also being undertaken with local contractors to provide apprenticeships on partnership sites. The partnership programme is discussed with local manufacturers and suppliers so that they can prepare for increased

demand, or where the local economy cannot supply the goods and services needed, attempts will be made to set up new firms with capabilities in those areas. Talks are also being held with local design consultants in order that they can plan ahead and employ key staff now, so that they will be structured for participation in the programme.

The partnership is committed to the creation of businesses whose profits will be reinvested in the community. Limiting the size of the contract to a 50 to 100 unit size means that schemes may be feasible for local contractors, but this also required breaking down the technical and financial arrangements to a manageable size. Companies not able to mount a multi-million pound contract bid involving several acres of land, and extensive sewer or road connections, may more easily tackle a smaller contract of less than £1m, and develop both knowledge and confidence during the process (UKHT, 1988b, p.80).

UKHT, as lead developer, has also made arrangements for participation by other housing agencies. For example, because of its local experience, South Yorkshire Housing Association (SYHA) has agreed to act development agents for the Darnall Cooperative, a largely Asian group undertaking a 40 unit £2.3m development within the partnership programme.

### ***The community role***

In 1986, which was early in discussions over a potential partnership, UKHT and Sheffield City Council agreed that the starting point of any urban renewal programme had to be the existing communities which had been blighted by the need to demolish large sections of housing. The residents of these communities were to be directly involved in the regeneration of their own neighbourhoods. The partners therefore specified that:

Each local community should be involved from the outset in determining the brief and scope of the programme for that neighbourhood.

There should be a review of the existing social infrastructure in order that the unmet needs of the existing community, as well as the anticipated needs of incoming groups, are catered for as part of the investment programme, e.g. doctors' surgeries, community centres, pre-school play provision, shops, specialist accommodation.

The investment should not be centred solely on those areas already cleared or scheduled for demolition. There should be an integrated investment programme for the whole area, with environmental improvement and other investment earmarked for the existing community.

There should be local employment initiatives included as part of the programme utilising existing resources within the community and making use of employment generating grants.

The whole programme should be co-ordinated and implemented through an area-based committee. This committee would be a sub-committee of UKHT; serviced by UKHT staff; and would have a membership drawn from existing community groups, Councillors and UKHT members.

UKHT acts through this local committee to manage the partnership. The committee consists of two local authority councillors, three UKHT representatives, three residents of the communities affected, and four people drawn from the wider constituencies of Sheffield. None of the committee members can form a majority to block the decisions of the other members.

The UKHT annual report for 1988-89 reports considerable progress towards the objectives of the partnership in housing development, community consultation, and creation of employment and training initiatives. The development workers in charge of design work have investigated ways of providing value for money in the partnership, by examining the standards of space, landscaping and both internal and external finishes for possible economies, in line with the design briefs issued by the Council. The neighbourhood workers, in charge of community consultation, have developed a wide range of approaches and techniques to invite public comments on the external layout and internal design of each scheme. Public exhibitions and meetings have been held, and smaller discussion groups have been set up to consider designs in close detail. The partnership has set up a panel of local Sheffield-based consultants to use on each scheme.

A number of seminars have been held throughout the year, including a discussion on house-designs for people with disabilities, a seminar on tenant participation in design, and a joint discussion with other local housing associations on provision of special needs housing in the city.

The partnership has also invited local builders to a seminar to discuss the incorporation of employment and training initiatives into the Partnership. As a result of these discussions, one tender for a 100-unit scheme has specified that the successful contractor will be expected to provide on-site construction training for a number of general building operatives and craft apprentices. The employment worker has identified sources of funding to pay for this provision, and methods of recruitment of trainees. The partnership is also investigating ways of offering skills training to the adult unemployed. In order to combine the principles of community development and construction training, the

contract to refurbish the first partnership local office, on the Manor estate, has been awarded to a local building cooperative.

The partnership has also produced a Tenant Participation Handbook, which itself is a model document for explaining the development process to participants in layman's terms, and enlisting their participation. The objective in so doing is set out in the introduction:

In order to break down some of the barriers between professionals and the communities, there has to be communication and we hope this booklet will help that. The first section outlines the stages that have to be gone through from identifying a piece of land to starting the building work. The other sections tell you who you are most likely to meet at the first stage of the project, the jobs they do and their areas of responsibility and explains some of the most common terms they use and some of the documents they have to prepare.

Developments on the hard hit Manor Estate give an example of progress. On the Lower Manor, finance has been arranged to build around 450 new homes and community facilities on vacant land. Of these 250 homes will be for rent, managed by the City Council, 50 homes will be for rent, managed by UKHT, and around 150 homes will be built for sale by local developers. Construction work started on the first houses in the autumn of 1988. The first new partnership homes should be ready to move into by 1990 with the whole development being completed by Spring 1991. On the Upper Manor and Lower Manor West, finance is being arranged to build a further 700 new homes, mainly for rent. It is hoped that the whole of the Manor re-development will be completed by August 1992.

### ***Finance***

The construction of the first 1,600 rented and shared ownership units that will replace the black mortar plagued dwellings, associated infrastructure, landscaping, land fees, etc. will cost about £90 million (UKHT, 1988b). This amount will be funded in part equally by the Banque Nationale de Paris (BNP) and the Nationwide-Anglia Building Society. The £35 million from the BNP is a ten year loan which has been syndicated world-wide. This amount is used to fund the construction programme. Since the value of the properties is less than the cost, the BNP will provide a loan for a time period that is considerably longer than the construction period. As the building work schemes are completed, projects will re-finance with an additional £33 million using long term mortgages raised by Nationwide-Anglia. These mortgages are secured against all of the properties within the partnership.

There is a contractual loan agreement between the funding institutions and the UKHT with a loan guarantee provided by the local authority. The guarantee, in the event that UKHT were unable to repay its loan obligations, would oblige the city to repay the loan. This is necessary because UKHT, as a charitable institution with managed and rented properties, is not an asset- or money-rich organisation and could not use its resources to subsidise the Sheffield Partnership from its other assets. The guarantee would be called into effect only if UKHT were unable to meet its obligations to the funding organisations, but purpose of the guarantee is to enable the money to flow and it is not intended to be called upon.

UKHT services the loans from the financial institutions from rents paid by the future tenants. As with all new social housing schemes, rents paid by tenants are insufficient to repay the loans. Therefore a subsidy from the local authority to UKHT will make up the difference between rents paid by tenants and the loan repayments. In the early days of the agreement, it is anticipated that repayment will be £8 million per year of which rents from tenants constitute £1 million and, by subsidy agreement, £7 million will be raised by the City of Sheffield. During the period of the partnership, rents will rise and payments will fall. The schemes will begin to show a surplus in 15 to 20 years.

### ***Conclusion***

In both objectives and implementation there is much that is admirable in the Sheffield Partnership, and in many ways it could be a model for other major developments in neighbourhood renewal. The Director of UKHT (Thake, 1987b) sums up the overall philosophy:

The Sheffield Partnership is not merely a large-scale housing programme. It is seen as a means of regenerating self confidence within the run-down communities of Sheffield, to influence and control their future. Thus, the Sheffield Partnership is fundamentally different from previous housing schemes in which bricks and mortar were the overriding concern of a local authority or private sector developer. We have come to realise that bricks and mortar, by themselves, do not rebuild the confidence of a community. Physical structures alone do not empower people living in a particular geographical area to reinvolve themselves in work, family and community.

However laudatory the Sheffield Partnership appears, the government has strenuously objected to it, and has forbidden all similar approaches involving this degree of local authority involvement. UKHT (1988b) records the means of the objection. As the preparation of the detailed agreements was nearing conclusion, John Patten, as Government Housing Minister, came to the House

of Commons on 5 February, 1987, to make a statement on 'private rented housing'. This statement required local authorities, 'with effect from midnight tonight', to seek his permission before providing housing associations with financial assistance to build houses. To avoid the entire programme being scrapped, the final agreements were signed between Sheffield and UKHT moments before midnight on that day. The local Government Bill 1988 confirmed the terms of the statement of 5 February.

It is not hard to guess the Governments objections to the partnership:

- council management of 2,400 units of new housing can be construed as 'council housing in disguise'; and
- the loan guarantees by Sheffield City Council constitute unacceptable risk-taking by a local authority, and a possible call on public expenditure.

The first objection should be mitigated by the fact that these are UKHT tenancies, but even more so by the tremendous scale of the social benefits which are likely to flow from the partnership programme. The second objection might be met by pointing out that the Government's apparent interest in promoting more market oriented operation should be satisfied by the private sector readiness to fund the partnership. This reflects their judgement that the Sheffield Partnership constitutes a sound basis for business.

In any event the fact that such partnership arrangements are now forbidden to local authorities does not negate the innovation demonstrated. A thorough review in 1992 and after will be required to determine the overall level of social benefit created by the Sheffield Partnership.