

4 Urban Renewal Partnerships in America and Britain

Although good housing is a basic element of quality of life, it is obvious that housing solutions alone are insufficient to resolve the problem of uneconomic and unhealthy neighbourhoods characterised by multiple deprivation of one kind or another. Instead, these require a comprehensive and multi-agency approach. The embodiment of the multi-agency approach is the partnership, which is the opposite of the one-agency solutions to urban problems of the 1950s to the 1970s.

The partnership approach makes sense for a number of reasons:

- Multiple agencies can help each other understand the real nature of the task of urban renewal from a holistic, more accurate, perspective which comes closer to the overall life experience of neighbourhood residents. This begins to overcome the inherent limitations of poor problem definition, where solutions affecting one area of life are rapidly overwhelmed by problems in another. It contributes more realistic policy and better implementation.
- Agencies can pool their limited expertise and resources in fashioning an appropriate response to the challenges of multiple deprivation.
- The partnership approach cause agencies to modify their organisational culture in a more task-orientated direction.
- Partnerships provide a relevant role for the community in a way which is impossible in the single agency approach.
- Partnerships often represent broad coalition among public, private and voluntary sectors and can therefore develop more confidence, and command more respect and resources, than any agency acting alone.

This chapter traces the evolution of the partnership approach to urban renewal from its American antecedents to docklands-style urban renewal in the UK, and onto the housing and neighbourhood renewal programmes which are the focus of this study. Such partnerships now involve local authorities, housing associations, community and voluntary groups, and private builders and financial institutions. They have evolved into what may be the predominant institutional arrangement for urban renewal in the 1990s.

The American partnership approach

In 1988, on the eve of a whistle-stop tour of US inner cities, Mrs Thatcher's then 'inner cities supremo', Kenneth Clarke, said he believed 'the US is the only country in the world from which Britain has anything to learn about tackling inner city problems' (*The Independent*, 4/1/88). This was the Minister's second trip in this capacity, and his enthusiasm for American urban policy innovations mirrored the UK government's ideological preference for looking to staunchly capitalist America, rather than social democratic Europe, for inspiration. That his faith in American urban policy should be quite so wholehearted is worth questioning, and will be, but it does suggest that if we are to understand the 'partnership movement' in UK urban renewal, then we must turn first to the influential American experience.

Another good reason for looking to America is that its social and economic problems are similar to those in the UK in four ways (Hambleton, 1989):

- In both countries there have been major structural shifts in the spatial distribution of population and industry, which have deserted old industrial inner cities over the past 20 years. Growth has focused on smaller towns and previously rural areas.
- There is a similar regional dimension of a dramatic shift out of 'rustbelt' cities into the new sunbelts of the southern US, California and the south of England. Both countries have a kind of north/south divide.
- The decline of manufacturing in both countries has created serious problems of unemployment and social polarisation between those in and out of work, made worse in some cases by racial polarisation.
- Homelessness and a lack of reasonable quality, affordable housing is a problem in both countries.

In both countries some of the declining industrial cities are beginning to turn themselves around, a process taken further in America and therefore a source of inspiration to Britain, where newspapers run a constant stream of

articles on the successes of urban renewal in Baltimore, Boston, Minneapolis and Pittsburgh and elsewhere. In particular, the USA is cited as the place where big city centre renewal projects have been realised by bringing business into partnership with the public sector. There are a number of useful examples.

In Boston, a depressed, high unemployment city of the 1970s has been turned around economically by the revival of the city centre as an office and service centre location. This was initiated by environmental improvements, and by the refurbishment of an old marketplace and the nearby harbourside as the city's major tourist attraction. The Quincy Market alone attracted 100,000 people on its launch day. But the main achievement of Boston has been in reversing a 30 year decline in population and unemployment with a population growth of 60,000 since 1980, and a dramatic reduction of unemployment from 15 per cent in 1974 to less than 4 per cent today. Boston has virtually restructured its economy from industry to high tech information services, creating 100,000 new jobs in office and service industries in the city centre and along the famous Route 128 highway. In ten years, 15 new high rise office blocks, ten new hotels, and thousands of high price apartments have been built, bringing in their wake a new prosperity (Parkinson, 1987).

Similarly in Baltimore, a partnership of local government and business, faced with city centre decay and economic decline, decided to refurbish the city centre, and with it the city's image. The commercial heart of the city centre, the Charles Centre, has been redeveloped, and this has been followed by the Inner Harbour Project which cleared dilapidated warehouses and linked the rebuilt office centre with the waterfront. This proved the key to a staggering redevelopment process involving about \$1.5 billion in new private and public investment:

The redevelopment has resulted in a doubling of downtown real estate tax assessments adding \$25m to tax revenues. The migration of business from the city centre has been reversed and a new tourism industry created, bringing into the area six million additional people and an estimated \$45m in 1983. Among the attractions is the largest aquarium on the east coast, a vast marina and a market place development containing a range of restaurants, food-stalls and boutiques. At the same time, the hi-tech companies, such as IBM, have decided to relocate in the inner harbour. The image of Baltimore is reported to have changed 'from one of drab industrial sprawl to that of a bright modern city on the move' (Cowie, 1986).

There are other American success stories, for example at Pittsburgh, once the steel-milling capital of America, and for many years a place synonymous

with industrial pollution and then industrial decline. Other US successes, such as at the earliest American textile centre of Lowell, Massachusetts, are carefully dissected in the British press in the hope the magic can be replicated.

In these American partnerships one can find the inspiration which has led to England's Urban Development Corporations and other docklands partnership approaches. At the same time, before moving on to the British partnership scene, two questions need to be posed:

- What are the basic conditions which give rise to successful urban renewal partnerships in US cities?
- Is there a 'down-side' to American efforts which we in Britain should be aware of?

Main characteristics of US partnerships

There are nine relevant factors. First, there is no one model of the partnership or the partnership city in the USA; arrangements are locally-fashioned, vary from city to city, and evolve over time (Law, 1988). There is a typical first step however, which is the establishment of a community forum which links business leaders, bankers, city government officials and leaders from the voluntary sector, all of whom will have a common, non-ideological interest in local regeneration. The result is usually a task-oriented political coalition, followed by the establishment of a quasi-public development agency set up to execute the public-private partnership schemes (Cowie, 1986). There is no precedent from America for the English practice of the top-down imposition of a development agency, as in Urban Development Corporations or Housing Action Trusts, nor for the exclusion of a key player like local government from a development agency's supervisory board.

Another point is that city governments in America are very dependent on local taxation and therefore have a long history of emphasis on economic development considerations (Law, 1988). Similarly, political power is much more decentralised in America, and centralisation of development and financial approval functions, as in Britain's Department of Environment, would be politically unacceptable. However, when appropriate, American city governments will readily delegate powers to quasi-public development agencies, with their long-term interests secured by supervisory board membership.

Third, the federal urban policy framework in the USA has long encouraged city authorities to adopt an entrepreneurial role, and they do so readily. American city governments of all sizes become actively involved in

redevelopment projects as land owners, developers, equity partners, and in profit sharing. Projects are often funded in the first instance by tax exempt, city-backed bonds which are offered at very interest competitive rates.

Cities regularly sell land at a profit to fund environmental improvements, and negotiate a percentage of profits in offices, car parks, and shopping and leisure centres which will accrue to the city in perpetuity. Dividends schedules are established which increase the city's take as profits rise. Some American cities levy development taxes on new offices. These tax revenues are used to subsidise social housing, public transport, local non-profit organisations or community facilities. These are similar to arrangements used in France. Planning gain is therefore an integral part of the American development process - private developers expect to enter into such negotiations.

Such entrepreneurial activities are an increasing part of US city government functions. For example, the city of Boston shares in the rents and revenues of the Harbourplace scheme; St Paul, Minnesota recently used \$10 million of grant and loan funds to establish a communal, city centre building heating system as part of the city centre renewal process (Cowie, 1986). Such local government entrepreneurship is booming in America. Belloni (1988, p73-74) provides two instructive examples which are quoted at length:

When a developer came to Gale Wilson, City Manager of Fairfield, California, with a plan to build a medium sized shopping centre in his city, Wilson inquired what it would take to build a large regional shopping centre which the city saw as a more advantageous. These discussions led the city to become actively involved in the project as a land owner, developer, and equity partner. The city acquired some land through a redevelopment process, sold some of the land at a profit to fund some site improvements, and negotiated a percentage of the shopping centre's profits in trade for the investment of city redevelopment funds. The result being that 'The city will benefit with a dividend schedule; 10 percent when the mall's profits reach \$250,000; 15 percent at \$500,000; 17 percent at \$750,000 or more'.

Thomas Dunne, City Manager of Walnut Creek, California, and former President of the International City Management Association, is negotiating a deal whereby Walnut Creek invests \$10 to \$12 million of public funds in a redevelopment project which will enable Macy's Department Stores to build a store in a desired downtown location. In return, the city will receive 10 percent of the project income to the developer and a percentage of the gross receipts from Macy's in perpetuity. Stated in percentage of income on investment, the amount is 15 percent averaged over the first five years. Dunne estimates that in 15 years Walnut Creek's percent of gross receipts should net the city \$1 million annually... Walnut Creek is also building a 500 car public parking structure which the city will own clear of debt in 15 years. The city

is building this needed parking structure and then leasing some of the spaces at market value to businesses who need them to meet the off-street parking requirements of the building permit process.

Fourth, there tends to be strongly-rooted indigenous regional and local economies in America. Local business leaders and Chambers of Commerce play a vital role in redevelopment. They identify strongly with the local area, and the initiative for redevelopment comes often from them. This is true not only of corporate headquarters staff, but of local branch plant managers who are expected by their company to play a strong community role. Similarly the decentralised American banking system means that local banks are dependent on local economic viability and can be expected to take a keen role in financial schemes for regeneration.

Fifth, local urban regeneration in America depends very substantially on the impetus of US federal grants such as the Urban Development Action Grant (UDAG) given to city governments to loan on (often at less than market rates) to stimulate economic development, employment and to increase the local tax base. Grants are used for: a) below market rate loans to a developer; b) land write-downs, demolitions, relocation costs, on-site improvements and similar subsidies to reduce developers' costs; c) infrastructure or other public improvements adjacent to a project site; and d) a combination of these incentives (Cowie, 1986, p.8).

At the time of the recovery of the loan, the UDAG grant remains with the city for re-lending. By 1986, \$3,000 million of federal funding to partnerships had stimulated \$17,000 million of private investment (Phoenix Initiative, 1985). For example, such public money has been flowing into Boston for more than 20 years to pay for new government buildings, shopping areas and the waterfront renovation.

Sixth, the US federal government also backs up partnerships with finance for infrastructure by Community Development Block Grants (CDBG), and tax exemption for bonds issued by state and local governments for infrastructure. CDBG funds are available on a leveraged basis. The subsidy implicit in tax exempt bonds has amounted to \$7,000 million in reduced interest rates. Britain's Phoenix Initiative suggests that similar arrangements in the UK in place of annual grants for the Urban Programme would make local authorities more resourceful and entrepreneurial.

Seventh, direct US federal grants are complemented by federal investment in Research and Development, mainly for military purposes. In 1986 for example, \$8 billion of defence R&D expenditure was injected into the Massachusetts economy alone (Parkinson, 1988). Needless to say, the

economic spin-offs of R&D investment are very substantial, and may account in same measure for the Boston success story.

Another point is that private investment in American regeneration invariably requires up-front public investment to reduce risks to commercially acceptable levels. A sufficient degree of public investment to boost local business confidence is often followed by a flood of private investment. In Boston, for example, a total investment of \$1.5 billion breaks down into 20 per cent federal funds, 7 per cent city funds and about 73 per cent private funding, but no development would have occurred without up-front public investment (Cowie, 1986).

A final point is that local urban regeneration in the USA is largely financed by the use of industrial revenue bonds. These bonds can be issued by states, local government or corporations in order to help finance projects which improve the infrastructure or local development prospects. Cowie (1986, p.8) compares the use of these bonds with the complete lack of a British equivalent:

These bonds are tax free and can therefore be provided at a lower interest cost to the borrower, while they provide an attractive uplift in the net yield to the investor. They have become the federal government's major contribution to the financing of public infrastructure (other than highways) with an implicit subsidy amounting to £6.7 billion dollars in reduced interest rates. There is no UK equivalent, which is another reason why urban development grants have not been very successful.

All these factors suggest that American success in urban generation is due to an appropriate national policy and institutional framework. This underpins local partnership initiatives, themselves based on a non-ideological consensus over the appropriate path to urban regeneration. It is also important to note that American urban regeneration did not happen overnight. In many cities the first winds of public-private partnership began to blow in the 1950s or even earlier, with the establishment of formal business-local government alliances. Similarly, US federal funding in city centre renewal programmes started to flow in the late 1960s, and has continued more or less steadily since then (although social funding has not). American urban renewal has not been an overnight success, but one requiring long term commitment to business and employment development, which carried on through Democratic and Republican administrations. Also in America there is not the gulf in values and perceptions between government officials and people in private business still exists in Britain. Acceptance and enthusiasm for the benefits of capitalist enterprise is an ingrained cultural norm in America.

Finally, a note of caution is necessary. American urban renewal efforts have tended to focus on economic development in offices, services and leisure, and on city centre renewal, rather than on social programmes in poor, inner city neighbourhoods. The reverse side of the American coin is a worsening polarisation between the well-paid and the low-paid, the employed and the unemployed, and not coincidentally, between the white and black middle class and the vast majority of blacks left behind in the infamous ghettos where unemployment is four times the white rate and crime and violence may reach terrible levels (Parkinson, 1987). Similarly, the economic boom has resulted in skyrocketing house prices - putting houses in many cities well out of reach of those in low paid employment. Homelessness in America, as in Britain, is a serious and growing problem. Such social problems have been made far worse by the dramatic budget cuts in the Reagan years, and some social services have suffered a precipitous decline in funding. Urban renewal may have rescued American cities, but most of the poor have been left behind.

British urban renewal partnerships

In part from American inspiration, and in part from domestic initiative based on exasperation with urban decline, a new willingness is emerging in Britain for the public, private and voluntary sectors to cooperate to address the problems of industrial dereliction, run-down city centres, unemployment, poor housing, and poor neighbourhoods. Coalitions of business leaders and local officials are giving rise to a new consensus, in places like Sheffield, Birmingham and Glasgow, that local economies must be regenerated and that public-private partnerships provide the means to do so. The development of the partnership approach since about 1981 therefore represents a significant shift in the means to achieve urban renewal in Britain. Particularly noteworthy is the involvement of the private sector in inner city areas which had previously been seen as abysmally poor investment opportunities.

The term partnership covers a broad spectrum of activity, and is loosely used. Almost any development activity involving two agencies, one public and one private or voluntary, can be called a partnership. For example, a recent DoE report (Mason and Sopp, 1988) uses this definition:

Partnership schemes are those where a local authority and a private housebuilder collaborate to develop *low cost homes for sale* on council owned land. There are two main variants: in *Building Under Licence (BUL)* schemes the local authority grants a licence to a housebuilder for an agreed development aimed at particular purchasers eg first time buyers; in *Conditional Land Sales*

(*CLS*) schemes, the local authority land is sold to a housebuilder with conditions determining the types of housing and purchasers.

This defines a limited type of partnership, perhaps better termed a joint venture. Law (1988) suggests a broader definition:

collaboration of the (public-private) sectors at the local level, either in preparing and executing a comprehensive scheme for an area or working together in a particular topic area.

The point here is that 'true' partnerships involve a degree of equality and reciprocity or, as the Oxford English Dictionary defines partnership arrangements, 'a sharing of risks and profits'. In any event it is not worth labouring over a definition of partnership because of this review of the range of current partnership efforts suggests good partnerships define themselves in terms of the local urban renewal task, rather than by fitting into a fixed organisational or legal definition.

The partnerships which have mushroomed far and wide across Britain are of three broad types:

- Urban renewal partnerships, involving the private sector and central or local government, and making use of Urban Development Grant (UDG), Urban Renewal Grant (URG), Derelict Land Grant and lately City Grant. These have operated mainly in areas of industrial dereliction, and have had little or no social housing component, although some have resulted in up-market homes for sale.
- Housing partnerships involving local authorities, housing associations, building societies and private builders. A typical model is where the local authority provides land or an empty council estate on the condition it can nominate tenants or purchasers for new or refurbished homes. The housing association organises the development and the tenancy mix, brings in Housing Association Grant (HAG) or private finance, a private builder, and manages the development. Building societies provide working capital, and may provide mortgages. The majority of schemes have been housing for outright sale or shared ownership, but there is an increasing number of innovative rental and mixed tenure developments, a number of which have been documented in the case studies of this report.
- The more recent type of neighbourhood renewal partnerships addressing the problems of neighbourhoods with substantial resident populations, and combining elements of the first two approaches. Usually the local authority

or an housing association is the early lead agency, but with active partners from other housing associations, building societies, private builders, voluntary groups, tenant or resident groups, and other levels of government. These may focus on inner city neighbourhoods or peripheral estates. In each case housing refurbishment and tenure diversification plays an important role, but equally employment, training, health, retailing, transport, environmental improvement and social services will be important factors.

Urban economic development in Britain

Business in the Community

One of the first manifestations of American-style partnerships in Britain was the establishment of Business in the Community (BiC), founded in 1981 to encourage private industrial and financial companies to invest in the generation of small businesses and jobs. For the inner cities in particular, BiC acts as a broker, linking up employers and their staff, their resources and their funds, with voluntary organisations and training projects. BiC's most visible activity is 'the enterprise agency movement', whose expansion was assisted by the 1982 Finance Act enabling companies to offset gifts in cash or kind against tax. Most agencies are partnerships between local authorities and the business community to encourage small business development, skill improvement in the local labour force by training, and to give advice and other forms of assistance (Law, 1988). BiC has encouraged the growth of what now amounts to a network of 300 local enterprise agencies with 3,000 companies involved in the agencies' work. BiC's chief executive has put the number of jobs created by such agencies at over 70,000 a year.

The Phoenix Initiative

A second broad partnership effort is the Phoenix Initiative, established in 1986 by major private sector companies including building societies. This grew out of a study of American urban regeneration efforts sponsored by the National Council of Building Material Producers. The Phoenix Initiative sets itself the task of 'promoting public and private enterprise in urban renewal' by acting as 'a catalyst in an interactive partnership forged between public and private sectors'. Believing that inner city initiatives must have an economic rather than a purely social base to attract public sector finance, Phoenix (1988) argues that:

No one sector of our society can, on its own, bring about the changes required. The Initiative aims to focus the energies and aspirations of all sectors of the

community, breaking down the barriers and encouraging them to work together, so that a cohesive vision may be moulded and cornerstone projects achieved. The Initiative lays the foundations for schemes by:

- identifying potential locations, and
- persuading, bringing together and getting support from all those concerned.

Phoenix works by establishing local area committees, drawing on all sectors, to establish partnership arrangements. Phoenix intends to produce £250 million of redevelopment over the next five years in English cities including Manchester, Salford, Bristol and Wirral (Phoenix Initiative, 1988).

The first Phoenix project was launched in 1987 in Manchester with backing from the local business community. This resulted in an URG application for the Whitworth Street area of the city. The second Phoenix project was launched in Salford. This is a collaborative venture with the development company Partnership Renewal of the Built Environment (PROBE) providing expertise in the housing field. The Initiative has successfully marketed two small council owned sites for private housing, but its main intention is to rehabilitate nine slab blocks to provide accommodation for students and other young people. The initiative is currently working with the council on plans for the future of the Chapel Street area. The third Phoenix project in Bristol is to promote and assist the redevelopment of the Broadmeads shopping area and help to establish a regional media centre in the city with studios and training facilities. The fourth Phoenix project in the Wirral is centred on the New Brighton, Birkenhead area. These local initiatives are companies limited by guarantee with their own Chairmen, Board and Chief Executive, who are drawn from the locality and bring their local knowledge of an area and its opportunities to each project.

Other economic regeneration initiatives

There are many other local business-local government economic regeneration initiatives. In Sheffield, an Economic Regeneration Committee was formed to focus attention on the problems of the Lower Don Valley. A report from private consultants was commissioned which recommended a local development company. Soon after the government announced a UDC for the area, as it had in part of the area of the Manchester Phoenix Initiative.

Other examples of local partnerships intended to encourage and co-ordinate public and private sector initiatives to achieve faster economic growth are in Leeds and Birmingham. The Leeds City Development Company was launched in March 1989, having reached agreement with two property companies to provide £400m of capital. The city will help the company to

assemble sites which can then be offered for development of either industrial, commercial, retail or leisure activities to create jobs. In the Birmingham Heartlands Project, the Chamber of Industry and Commerce, five construction companies and the City Council have joined forces to establish a development company in east Birmingham where there are a large number of derelict industrial sites. A ten-year development strategy has been prepared for the 2000 acre zone.

Development trusts have been based partly on the recognition that if local authorities are to retain a measure of control over the urban renewal process they must adopt a proactive and pro-business stance. In Birmingham, for example, the local authority, assisted by central grants, is committed to providing infrastructure and accepts that the private sector will only participate if it can see profits are to be made. The trust is in effect a new development company, which is a private, market-led, profit-seeking business. The local authority has an equity stake through its land holding, with the bulk of the initial finance coming from Birmingham companies, construction groups, and institutions. There are many other examples of local economic regeneration partnerships which could be cited. For example, some local authorities are calling on specialist private sector urban renewal agencies like PROBE to assist in formulating development proposals attractive to the private sector. These types of agency are discussed in the next chapter, and some of PROBE's work is described in the Blackburn case study.

Housing partnerships

The spread of the partnership idea in British housing is the result of a diversity of factors:

- A long history of cooperation in some towns between housing associations and local authorities.
- Enthusiasm for the partnership approach generated by BiC and Phoenix, and other economic regeneration initiatives.
- Experience broadening out from housing for sale partnerships between local authorities and builders into more complex, multi-tenure or neighbourhood renewal schemes.
- Recognition that the needs of neighbourhood renewal could best be met by broad partnership efforts in which housing was an element of a broader conception of problems and solution.

- Cuts in local authorities' housing investment programmes which pushed them, sometimes grudgingly, into the arms of generously HAG-funded housing associations to provide social housing.

New build housing partnerships

A relatively simple kind of housing partnership is the joint venture land deal, which involves some element of subsidy to builders by keeping down the selling or transfer price of local authority owned land, in return for control over selling price of units, shared ownership, first choice for council tenants, or mix of house types. Combined with the use of Derelict Land Grant (DLG), this has made it financially attractive for the private sector to tackle difficult or unprofitable inner city sites. By effectively redefining the price of land, new housing development has been stimulated in inner cities for the first time in decades (Robson, 1987).

Housing associations have also been active in partnerships resulting in housing for sale, in particular in developing shared ownership schemes. Some agreements also involve discounts to purchasers. Obviously the degree to which these schemes bring home ownership to those who could not otherwise afford to buy suitable housing depends on the level of prices compared with open-market prices for comparable dwellings in the area.

Housing associations have benefitted from the use of deferred land purchase schemes in which an open market value for the land is agreed with borough valuers. The land is then transferred to the association to develop housing on the basis of shared ownership leases but the local authority receives payment only when the proportion of equity purchased by the shared owner exceeds 25 per cent. Borrowing is restricted to building costs, while the value of the land is maintained for the local authority. It receives payment on subsequent sales as a proportion of the current value of the property, which reflects the underlying value of the land on which it is built. This arrangement demonstrates how housing associations can bring together local authority land and privately-raised finance to provide low cost housing for sale.

A report on partnerships resulting in housing for sale has been prepared by the Department of the Environment (Mason and Sopp, 1988). One concern however, is that increasing pressure on local authorities to dispose of land at market value may threaten many such initiatives, a point taken up in a later chapter.

Refurbishment and neighbourhood renewal partnerships

A similar approach involves the disposal of difficult-to-let council housing and estates to private developers for refurbishment and onward sale. Disposal is useful to break up a large estate, change the image of unpopular dwellings, uplift the surrounding area and provide an opportunity for low cost house ownership (Duncan, 1988). Disposal can also be part of a planned neighbourhood/estate renewal programme which includes tenure diversification, refurbishment of council stock, disposal to housing associations or cooperatives, or the development of new housing management initiatives such as tenant management co-ops (TMCs).

Disposal for onward sale has been used for many kinds of council properties, from tower blocks to four storey walk-ups to semi-detached estates, and there are scores of examples, some of which are part of broader neighbourhood renewal schemes. Examples discussed in this report include developments in Newcastle, Tower Hamlets and Glasgow. Some schemes include disposal of all or part of an estate to housing associations for refurbishment - these schemes tend to involve less decanting of existing tenants, a possible sore point for some developments.

Recent events are extending the range and penetration of partnerships and joint ventures, which are becoming a main tool of policy implementation in housing. First, the Housing Act 1980 offered direct financial inducements to housing associations to extend their activities in developing rental accommodation in inner cities, for people with special needs and to low cost home ownership schemes. Second, this Act allowed multi-tenure housing developments to be built by an association of local authorities, building societies, and in some cases private housebuilders. Elm Village in London for example, is a pioneering example of a mixed tenure development offering fair rent, cost sale, and shared ownership housing. Elm Village was developed by the United Kingdom Housing Trust and Camden Council in association with the Halifax and Nationwide Building Societies. Elm Village is one example of joint three-sector cooperation, with HAG funding. There are others, for example, at Richmond, London, in Swansea Docks and in Bristol's harbour, where derelict land at Baltic Wharf was developed to create 272 mixed tenure homes including some for elderly and handicapped people.

The Housing and Planning Act 1986 provide a framework for the development of new forms of housing management and tenant participation in the form of ownership cooperatives. At the same time the housing development powers available to building societies were further extended and building societies are now empowered to act as housing developers. Most

building society schemes to date are for low cost home ownership, but the potential exists for a supply of new rented accommodation from this source.

In a national agency approach, the National Home Improvement Council has established a Neighbourhood Revitalisation Scheme (NRS) which is a strategy for improvement of housing and the environment carried out by a partnership of local residents, business and financial leaders and local government. The programme is primarily one of prevention, aimed at areas of old but basically sound housing. The project is complementary to the work of local government, and attempts to stimulate private investment in maintenance and improvement, thereby preventing the decline in property to the stage where large public sector support becomes essential (Couttie, 1985).

The NRS is attempting to promote a level of private investment which will encourage a return of normal market forces to neighbourhoods. The government provided an initial £2m to fund a national network of 28 projects in which the NRS establishes agency services to help homeowners with repairs and maintenance. Each NRS project, covering areas of 2-3,000 houses, brings together four elements (Bayley, 1987, p.36). The project manager is funded by the NRS and acts as co-ordinator. An improvement agency is run by a local architectural practice, builder or housing association to provide architectural and other technical services on a fee basis and free advice. A local building society provides a financial adviser, and the local council a grants officer.

The neighbourhoods chosen for NRS attention are not however those in the worst stage of dilapidation, or those with the worst poverty, but ones where it is anticipated that people will be able to fund the work themselves. The NRS is seen as an educative process to help people understand the benefits of planned maintenance, to offer practical advice, and to establish and guarantee the credibility of professional services and local builders.

All has not been smooth sailing for NRS (Bayley, 1987). The gearing ratio for public to private investment has been less than 1:1, far lower than the 1:6 or 1:3 originally hoped for and still intended. Some improvement agencies have been subsidising the architects and surveyors involved and questions have been raised about the full time agency approach. Underlying all this, there has been a problem of take-up by owners, particularly as the rate of their expected contribution rises. For example, Bayley (1987, p.37) quotes North Bedfordshire's Principal Improvement Officer with regard to their NRS:

Grant has not been pump priming, it has been an essential element of the scheme. The original estimates were pie in the sky. We would be happy to

see a ratio of 1:1. It is not lack of willingness on the part of the people, it is a problem that they are unable to take on an extra mortgage to pay for repairs.

This failure of private investment is telling not only for NRS schemes, but for the up-coming means-tested repairs schemes proposed in the Local Government and Housing Act, discussed later. It also suggests that, without grant subsidy, the best will in the world on the part of building societies to lend in neighbourhood renewal schemes will be limited by residents' incomes, and that residents in greatest need will have the least ability to pay.

In addition to the housing developments, which may form part of an informal neighbourhood renewal programme, there are an increasing number of formal neighbourhood or citywide renewal efforts. Many of the best are the specific focus of this study, for example, in Glasgow, Newcastle, Sheffield, Blackburn, Nottingham and Birmingham. Inevitably there are others, just as good in their way. The City of Hull, for example, has embarked on a dramatic revitalisation plan based on high quality urban design and development, with a focus on the city's existing advantages. The scheme involves pedestrianising the city centre, rehabilitating the old dock in the town centre as a marina, and building new shops and leisure facilities on Princes Quay. Most pertinent is the establishment of a partnership with Bellway Homes to form a joint venture company to build, with an urban regeneration grant, a new urban village of 1200 houses on derelict land beside the Humber. Both the city council and Bellway have directors on the company's new board.

Conclusion

Clearly the partnership approach to urban renewal has taken root in Britain and, aside from the immediate and tangible physical and economic benefits which can be expected, there will be substantial long term benefits in breaking down old institutional rigidities and unproductive barriers between the private and public sectors. Most encouraging is the beginning of the extension of the partnership approach from the easier docklands-style renewal to the desperate needs of Britain's worst-off neighbourhoods. It is of course entirely right that public and private sectors should cooperate with communities to assist their own renewal, for most people's lives are inextricably and inseparably linked to the fortunes and good policies of both sectors.

The next chapter explores in more detail some of the main aspects of the partnership approach to neighbourhood renewal, and subsequent chapters consider the effect of changing institutional rules, and of the national policy framework, on the potential for neighbourhood renewal.