# Making estate regeneration happen

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HOUSING QUALITY
NETWORK

# About the authors

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**Ifor Jones** joined Pioneer Group in Castle Vale after retiring from local government in 2016. As a Director in Birmingham City Council he led the council's localisation policy and delivery arrangements for a decade, manging a range of services including libraries, leisure, advice and housing including partnership responses to the closure of Rover in 2005 and more recently the community governance review setting up the largest town council in England in Sutton Coldfield. Throughout his career he has focused on localised community regeneration and neighbourhood management. He is taking this approach in a number of communities in North East Birmingham including Castle Vale, Stockland Green and Falcon Lodge in Sutton Coldfield. He is currently vice chair of the Active Wellbeing Society and is a founder member of Birmingham Community Homes.

# Summary

- There is urgent need to rekindle urban and rural estate regeneration (alongside stimulating new supply) since the last outing of national policy in David Cameron's government in 2016

- This, in particular, needs to extend into areas which can't access the land value uplift model that underpins government policy

- We need to draw on the learning on best practice in estate regeneration since the 1980s on sustainable and effective housing regeneration – not just in the UK but also elsewhere

- We need to build in and ensure social housing retention in estate regeneration

- Engagement and cohesion are critical, and we need to draw on, for example, the consent model developed by the Greater London Authority (GLA) so as to avoid social apartheid.

# Introduction

Tim Brown and Ifor Jones have delivered two face-to-face and two virtual workshops through HQN over the last 12 months on the theme of Making Estate Regeneration Work. In doing so we have engaged with housing and other professionals in the north, midlands and south.

Our workshops included a whistle-stop exploration of the history of estate regeneration – policy, funding and programmes since the 1980s to date; a detailed case study of one of the most successful examples of estate regeneration in Castle Vale in Birmingham (including some comparisons with Hulme and Wythenshawe in Manchester); and consideration of the current policy, funding and practice landscape with a view to stimulating a debate and interest around future direction of play on estate regeneration. We also worked with participants on modelling regeneration in the context of a small estate in Sutton Coldfield, Birmingham, highlighting the challenges and opportunities of using the land value uplift model.

The four principles of the Castle Vale case study are:

- Ensuring that the programme was resourced to deliver transformational physical change and economic and social regeneration
- Resident-led model from seats on the board to grassroots approach to master planning
- Succession planning early on looking at successor bodies being rooted in place, committing to ongoing investment and resident leadership
- Ensuring that the outcome retained social housing at the heart with support for accessing home ownership and marginal tenure diversification.

We have seen, in recent times, some commitment to housing growth to meet future housing need and, even in the current Covid-19 context, development programmes are back on-site. What we haven't seen is momentum and national policy direction around estate regeneration other than through bespoke interventions taken forward by housing organisations and some local authorities. The ability to do this is often fuelled by the opportunities available to only a certain number of places, for example, where land values support this in certain London boroughs and some parts of Manchester and Birmingham.

Our briefing paper goes beyond summarising our workshop sessions by drawing on the outcomes and feedback from the sessions. The next section briefly sets out national policy. We then focus on five issues:

- Estate diversity
- Social cohesion
- Engagement
- Funding
- Learning lessons from elsewhere.

We conclude by sketching out the principles for a new estate regeneration model for the 2020s.
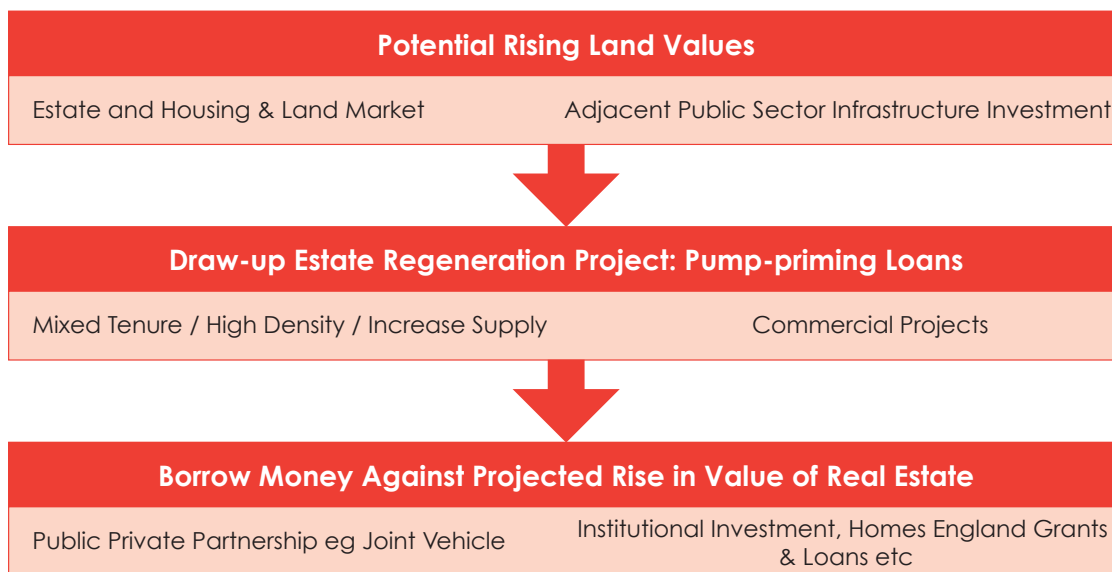
There is also an annotated sources section, as well as footnote references to specific publications.

# National policy (see sources)

Government policy on estate regeneration was set out in 2016. It included:

- Prime minister's commitment to tackle 'sink estates'
- Regeneration policy statement
- Estate regeneration advisory panel
- Loan funding to develop solutions
- Savills report on *Completing London Streets*, ie, redeveloping estates at high density but with medium rise housing.

The underpinning principle was the land value uplift model. This is summarised below.

| Potential Rising Land Values | |
|---|---|
| Estate and Housing & Land Market | Adjacent Public Sector Infrastructure Investment |

| Draw-up Estate Regeneration Project: Pump-priming Loans | |
|---|---|
| Mixed Tenure / High Density / Increase Supply | Commercial Projects |

| Borrow Money Against Projected Rise in Value of Real Estate | |
|---|---|
| Public Private Partnership eg Joint Vehicle | Institutional Investment, Homes England Grants & Loans etc |

# Estate diversity

A fundamental challenge of the 2016 national policy, and especially the land value uplift model, is that it focuses primarily on (i) large urban social housing estates and (ii) locations with adjoining public and private investment projects together with rising property values. This potentially makes estate regeneration viable in many parts of London and in some areas of our large cities such as Birmingham and Manchester.

However, it is problematic in other areas. Our workshops highlighted that the policy and the financial model was, at best, challenging and, in some circumstances, irrelevant. These included:

- Small social housing estates in remoter rural areas, eg, parts of Cornwall
- Estates in former mining communities in, for instance, Durham and Northumberland[1]

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1    A useful overview report on coalfield communities is Beatty, C. et al (2019) *The State of the Coalfields 2019*, Sheffield, Sheffield Hallam University - https://shura.shu.ac.uk/25272/1/state-of-the-coalfields-2019.pdf

- Coastal resorts where there are wider regeneration issues,[2] eg, Bridlington, Scarborough and Whitby
- Towns with estates, especially in the midlands and north, where there is little investment and a depressed housing market – for example, North Derbyshire and North Nottinghamshire
- Parts of large cities such as peripheral estates with poor transport links to the rest of the urban area.

These areas face broader economic and social challenges. Estate regeneration is frequently only one of numerous issues.

It was also strongly emphasised that many individual estates are themselves diverse in terms of the stock, neighbourhoods, population, social characteristics, etc. Getting to know and understanding the dynamics of an area was flagged up by workshop participants as fundamental in connecting with the wide range of local groups and informal organisations. Without this awareness, engagement can unfortunately centre on the 'consistently engaged' and ignore the 'hard to reach'.

Regeneration policy, therefore, needs to appreciate the wider policy challenges, the diversity of areas and communities, the types of estates and the issues as perceived by residents. There is no 'one-size fits all' model.

# Social cohesion

Even where regeneration of estates has happened over the last two decades through a land value uplift model, there is evidence that it can be a mixed blessing.

In London, a recent study by Lees and Hubbard (see sources) found that the scale of decanting of existing residents during redevelopment was frequently under-estimated and the process was poorly organised. New mixed-tenure developments (which are a feature of the 2016 national policy) provided insufficient affordable housing. Groups especially affected included leaseholders whose compensation payments did not enable them to purchase a similar property near to their previous residence.

There has also been extensive media and trade press coverage of 'poor doors', where less well-off tenants are segregated from higher income households and have to use separate entrances.[3] A linked phenomenon is where access to play facilities and communal gardens are restricted for those living in social housing.[4] This type of social apartheid has resulted in the government and other stakeholders indicating their opposition to such practices.

In the USA, there have been a number of studies showing how BME households

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2    See the House of Lords Select Committee on Regenerating Seaside Towns and Communities (2019) *The Future of Seaside Towns*, London, Hansard - https://publications.parliament.uk/pa/ld201719/ldselect/ldseaside/320/32002.htm - this provides an overview of the wider regeneration issues
3    See, for example, https://www.theguardian.com/society/2018/nov/25/poor-doors-developers-segregate-rich-from-poor-london-housing-blocks
4    See https://www.theguardian.com/cities/2019/sep/27/disabled-children-among-social-tenants-blocked-from-communal-gardens

have lost out through the redevelopment of public housing estates. The redevelopment process is similar to the land value uplift model. These studies are usefully summarised by Goetz (see sources). Mixed-tenure redevelopment linked with the decanting of existing residents to properties many miles from their previous home and neighbourhood has been common. This has resulted in the breakdown of family networks, increased costs of commuting to existing jobs and the net loss of affordable rented housing.

The five core messages on social cohesion from these studies and our workshops are:

- Make sure that the needs and views of existing residents are understood and acted upon
- Monitor and review the impact of regeneration on existing households
- If the aim is to achieve active mixed communities, reliance on a mix of tenures is not sufficient – community development is an essential ingredient
- Design the location and siting of facilities such as communal and play areas to maximise interaction
- Ensure that there is a wide range of types and sizes of affordable housing.

# Engagement

A recurring theme at all of the workshops was the importance of engagement. Tackling the twin issues of 'consistently engaged' and 'hard-to-reach' residents were highlighted.

At the online sessions, the impact of Covid-19 on tenant involvement was a major discussion point. On the positive side, the use of online technology is resulting in the involvement of a wider range of residents and groups. But, from a negative viewpoint, poor digital connectivity and inadequate hardware together with a lack of confidence in using online platforms can lead to exclusion rather than inclusion.

If these weaknesses can be addressed, there are opportunities to improve engagement with residents on the design and implementation of regeneration schemes. Nevertheless, a degree of caution is necessary. This is illustrated by the current debate on one of the recommendations in the government's Planning White Paper. The use of 'prop tech' (property technology) is highlighted as the way to overcome the democratic deficit (including community involvement). Reference is made, for instance, to digital maps, 3-D visualisations and toolboxes of housing types. Their use in estate regeneration, clearly, has potential to widen involvement. But a report by the Town and Country Planning Association comments:

> "Putting planning applications and opportunities to comment online has been a great success. But debating the complexities of future cities to include a range of participants is less well-suited to online fora."[5]

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5    Wilson, A. et al (2020) *Can technology create a faster and more participatory planning system?*. In Town and Country Planning Association (2020) *The Wrong Answers to the Wrong Questions*, London, TCPA - https://www.tcpa.org.uk/the-wrong-answers-to-the-wrong-questions

This quote is relevant for estate regeneration in the context of the growing use of ballots to gauge views on redevelopment proposals. Details of a scheme can be viewed online through digital maps and 3-D visualisations. Ballots can also be conducted online. But it is difficult to use digital technology to compare regeneration options and to suggest alterations to elements of projects. More importantly, the impact of proposals on individual households and groups is challenging to convey online.

In relation to ballots, the Mayor of London has made it a requirement for estate regeneration schemes funded by the GLA to demonstrate that there is resident support through a ballot (see sources). According to *Inside Housing*, as of spring 2020, all 13 ballots carried out in London since 2018 have seen residents vote in favour of redevelopment.[6] Average turnout was over 80%, with 80% of residents supporting proposals. It is also important to note that government policy published in 2016 is supportive of ballots.

Although there is extensive media and trade press coverage of the ballot issue, it is only part of the engagement process. The Mayor of London's good practice guide on estate regeneration highlights the importance of early consultation and involvement as well as focusing on four principles as part of the consent approach – transparent, extensive, responsive and meaningful.

There are also lessons to be learnt from community involvement in neighbourhood planning (see sources). A key message is that residents' groups must be adequately resourced if there are to be active participants in the redevelopment process.

# Funding

As we have already pointed out, national policy as set out in 2016 included a provision to provide loans to councils and housing associations to develop regeneration schemes for approximately 100 projects. Funding to deliver the schemes would, primarily, utilise the land value uplift model, ie, borrowing against future increases in property prices and taxes. Nevertheless, the guidance also points to additional potential sources such as Homes England grants, cross-subsidies, receipts from the sale of land and property, etc.

However, the land value uplift model is problematic where the housing and real estate market is depressed and where there are no significant adjacent public and private infrastructure projects. In these cases, the viability of regeneration schemes is called into question if there is no substantial subsidy. Major regeneration schemes in the 1980s and 1990s, such as Castle Vale in Birmingham, received substantial government financial support.

A pragmatic response to funding is, thus, often required, as there is no magic bullet solution. This necessitates being transparent with existing residents on the limited options available.

Nevertheless, there are many small sources that may be relevant and accessed

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6    See https://www.insidehousing.co.uk/news/news/all-london-regeneration-ballots-passed-since-introduction-65878

such as lottery funding, heritage schemes and sustainable development finance. Also, although there may be relatively few sources of estate funding, there are a wide range of broader regeneration schemes such as the Towns Fund, the Future High Streets Fund and the Coastal Communities bidding rounds. The government's interim one-year spending review this autumn is likely to see the launch of the UK Shared Prosperity Fund. The key question is whether we can work up appropriate business cases to tap into these sources for estate regeneration?

The Birmingham-based Pioneer Group has approached this issue by working with community partners to develop a long-term neighbourhood plan. This plan recognised that to tackle the dip in economic and social indicators (3% between the 2015 and 2019 Index of Multiple Deprivation [IMD] reports) a new approach to community regeneration was needed. This included making stronger links with partners in the public and private sector in North East Birmingham and driving for inclusive growth benefits linked to HS2, economic development in the new greenfield development in Peddimore, links to JLR (Jaguar Land Rover) and its supply chain and the Commonwealth Games in 2022. It is one of seven anchor institutions exploring a two-year common wealth programme locking the benefits of economic growth into local economies/communities. Linked to this has been an approach to generating £2.5m since the neighbourhood plan was published on community regeneration.

# Learning lessons from elsewhere

Throughout this briefing paper (including the sources section), we have referred to a range of examples and studies, such as the Mayor of London's good practice guide. An especially useful report is the Great Places Commission study. Although focusing on broader regeneration and the role of housing associations, the principles and recommendations are thought-provoking for estate regeneration, including:

- Government should develop a new ambitious national regeneration strategy
- Sustainable funding settlement is required for local authorities
- Mandatory design standards
- Cross-sector partnership working across local authority areas
- Asset-based community development led by anchor institutions (eg, councils, housing associations, universities, etc)
- Embed community benefits in procurement strategies.

There are also stimulating ideas from estate regeneration in other countries. But care is needed as the economic, political and social environments are different. Nevertheless, we suggest the following four ideas are worthy of debate and discussion:

- Role of community land trusts: In the USA, for example, they play a significant role in rural and town regeneration. But in this country their focus is, so far, primarily on developing new affordable housing, though there

was a pilot programme on urban community land trusts in 2014/15[7]

- Concerted collaborative action by national and local government and housing providers: in the Netherlands, AEDES (the equivalent of our National Housing Federation) has called for co-ordinated action to tackle the deteriorating conditions on social housing estates.[8] Proposals include increasingly creating mixed neighbourhoods by raising the maximum number of lettings to higher income households from 10% to 15%

- Addressing the viability issue: in Sweden, comprehensive redevelopment (based on a similar approach to our land value uplift model) is only viable in high value areas of major cities. Instead the focus is on an integrated model involving, for instance, enhanced maintenance, environmentally focused projects involving the active support of residents and infill development[9]

- Community development corporations: in the USA, in cities such as Detroit where there are in excess of 20 community development corporations, they have developed from the grassroots to help to rejuvenate neighbourhoods.[10]

## Conclusions

There are no easy solutions to tackle estate regeneration within the current national policy framework. There is, thus, a need for a new agenda. The six principles should be:

- Building on 'what works' in 40 years of estate and wider regeneration
- Reflecting on the diversity between and within estates in both rural and urban settings
- Recognising that the land uplift value model or inclusive economic growth models of housing and wider regeneration can only work in parts of the country
- Importance of a resident-centric approach
- Funding should follow on from estate regeneration issues (identified by residents) rather than vice-versa
- Ensuring that estate regeneration links to the wider agenda of:
  - Black Lives Matter
  - Climate change emergency
  - Levelling-up.

7    See http://www.communitylandtrusts.org.uk/what-is-a-clt/success-stories/urban-clts
8    See https://www.dutchnews.nl/news/2020/02/deprived-neighbourhoods-will-be-back-housing-corporations-warn/
9    Useful coverage of social estate regeneration in Sweden can be found at https://www.wcmt.org.uk/sites/default/files/report-documents/Douglas%20E%20Report%202017%20Final.pdf
10    See, for instance the work of Grandmont Rosedale Development Corporation at https://grandmontrosedale.com/

# Sources

Brownill, S. and Bradley, Q. (Eds) (2017) *Localism and Neighbourhood Planning – Power to the people?*, Bristol, Policy Press – https://policy.bristoluniversitypress.co.uk/localism-and-neighbourhood-planning

> This edited set of papers covers the broader issue of neighbourhood planning and community involvement.

Goetz, E. (2013) *New Deal Ruins – Race, economic justice and public housing policy,* Ithaca, Cornell University Press – https://www.amazon.com/New-Deal-Ruins-Economic-Justice/dp/0801478286

> This book covers the fate of public housing estates in three cities in the USA and highlights the impact of redevelopment and regeneration on existing communities especially the displacement of BME households.

Great Places Commission (2019) *Great Places Commission – Ten recommendations for creating great places to live*, London NHF – https://www.housing.org.uk/our-work/great-places/ and https://greatplaces.housing.org.uk/

> This report (and the interim study published in 2018) consists of case studies (eg, Castle Vale) as well as recommendations. The focus is on broad regeneration issues.

Lees, L. and Hubbard, P. (2020) *Estate Renewal in London – An assessment of regeneration induced displacement*, Glasgow, CaCHE - https://housingevidence.ac.uk/publications/estate-renewal-in-london-an-assessment-of-regeneration-induced-displacement/

> This is a summary of a major research project on estate renewal in London over the last two decades centring on the issue of the relocation of existing residents.

McCabe, J. (2020) *A week in the life of a neighbourhood fundraiser*, Inside Housing 27 October 2020 – https://www.insidehousing.co.uk/insight/a-week-in-the-life-of-a-neighbourhood-fundraiser-68027

> This feature by Alan Crawford from Pioneer Group follows his work on local initiatives.

McKenzie, L. (2015) *Getting By – Estates, class and culture in Austerity Britain*, Bristol, Policy Press - https://policy.bristoluniversitypress.co.uk/getting-by

> This study focuses on the St Ann's estate in Nottingham and, amongst other points, highlights the importance of understanding the community and its diverse cultures.

Mayor of London (2018) *Better Homes for Local People – The Mayor's Good Practice Guide to Estate Regeneration,* London, GLA – https://www.london.gov.uk/sites/default/files/better-homes-for-local-people-the-mayors-good-practice-guide-to-estate-regeneration.pdf

The associated website also has details and links to material on resident ballots – https://www.london.gov.uk/what-we-do/housing-and-land/improving-quality/estate-regeneration

Ministry of Housing, Communities and Local Government (2016) *Estate Regeneration National Strategy,* London, MHCLG – https://www.gov.uk/guidance/estate-regeneration-national-strategy

This sets out current policy as well as providing links to a wide range of material.

Provan, B. and Power, A. (2019) *Estate Regeneration and Social Value,* London, LSE Housing & Communities – http://sticerd.lse.ac.uk/dps/case/cr/casereport124.pdf

This paper is based on a study for Home Group. It centres on a model for the process of developing proposals for estate regeneration.

Tunstall, R. (2020) *The Fall and Rise of Social Housing – 100 years on 20 estates,* Bristol, Policy Press – https://policy.bristoluniversitypress.co.uk/the-fall-and-rise-of-social-housing

This is a comprehensive guide to the so-called rise, fall and rebirth of 20 large social housing estates. The first chapter focuses on lesson learning from these case studies.

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