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## **Can Housing Led Regeneration Work in a Poor Community?**

The author's approach to this assignment is to define what poor means, provide context, and consider the key benefits of housing led regeneration in a poor community in order to arrive at a conclusion.

The Oxford Dictionary of English (Soanes and Stevenson 2003) defines poor as people 'lacking sufficient money to live at a standard considered comfortable or normal in society'. Furthermore, in relation to place (of a place) it defines poor as being 'inhabited by people with little money'. Being poor in a poor community and poor environment invariably leads to poverty. Concentrated poverty is the 'underlying cause of weakness or evil in the community' that Joseph Rowntree was so concerned about a century ago (Katz, 2005). The scale of the problem was adduced in a Centre for Local Economic Studies report (Anon. 2006) which stated that nearly one in four UK residents (around 13M people, including 4M children) live in poverty with the impact being felt in health, housing, employment and local environment.

The Joseph Rowntree Foundation report (MacInnes et al 2009) suggests that a household is defined as having a 'low income' if its income is less than 60% of the median UK household income for the year in question. Unfortunately, it is now a fact that those with the very lowest incomes (people living below 40% of median income) is now higher than at any point in the last 25 years (MacInnes et al 2009). A previous Rowntree report (Anon.2005) highlighted the relationship between key determinants of poverty and social exclusion, namely: the ability to seek employment or pursue education, and the relationship between housing, the environment and health. For example, what a shocking indictment that the rate of premature death in 2 local authorities should be 50% more than a local authority barely 2 hours travel distant.

Two recent reports further underpin the issue of poverty and suggest how important it is to address this issue. Harris et al. (2009) reflect on the 'economic absurdity' of propping up the UK's financial systems vis-à-vis the brave commitment to halve child poverty by 2010. They suggest that £4Bn now to meet the 2010 target is small compared to the estimated £25Bn that child poverty costs each year in reduced educational opportunities, lower productivity, increased spending on social security and lower taxes. However, the government acknowledges that fiscal measures alone will not work. Breaking the intergenerational cycles of deprivation requires 'joined-up' social inclusion measures such as improved housing and environment. Green (2008) argues that it requires a radical distribution of power, opportunities and assets to break the cycle of poverty and inequality and to give poor people power over their own destinies. He suggests that people are poor because they are powerless. Transformation can be effected through active citizens and effective states, points that the author of this assignment will return to later.

In a Welsh context, statistics in the Welsh Index of Multiple Deprivation (WIMD) indicate poor communities. WIMD (2001 and 2005) ranks overall deprivation but also more specific manifestations of deprivation relating to income, employment, health, education, housing and access to services. The South Wales Valleys have

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some of the most intractable problems – a ‘noxious cocktail of factors’ including high levels of poverty. Such factors put The Valleys in ‘the league that no-one wants to win’ (Morgan and Senior [no date]) and in an Institute of Welsh Affairs (IWA) report (Osmond 2008), it is suggested that ‘If the trends of the past 70 years are not arrested soon, the Valleys could be in the inglorious position of marking 100 years of relative decline, heralding the anniversary from hell’.

So, is there a way out of this hell? The answer is a qualified yes and depends on circumstances, commitment and active collaboration. It is a fact that poor housing is linked to multiple deprivation: 56% of men and 64% of women in social housing are unemployed or economically inactive. The spaces of housing investment and spaces of socio-economic deprivation are the same, so there is a unique opportunity to promote housing led regeneration in deprived areas therefore giving the opportunity to create sustainable communities.

*‘Sustainable communities are places where people want to live and work, now and in the future. They meet the diverse needs of existing and future residents, are sensitive to their environment and contribute to a high quality of life. They are safe and inclusive, well planned, built and run, and offer equality of opportunity and good services for all’*

ODPM – Creating Sustainable Communities – March 2005

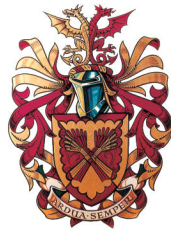
Clearly, a poor community is not a sustainable community and in that sense is a community that is excluded. Research by the UK government’s social exclusion unit found that on every indicator of well being and social progress (school exam results; job prospects; crime rates; life expectancy; house quality) the poorest neighbourhoods were falling behind the national average, trapped in a spiral of decline after decades of neglect and under investment. Perversely, an example of the ‘inverse care law’, people stuck at the bottom were being condemned to worse schools, fewer doctors and higher crime rates. Not surprising then that in the Regeneration Skills Collective Conference 24<sup>th</sup> September 2009, Professor Dave Adamson should describe the impact of poverty in terms of the atmosphere of such places {the feel of a community}, the landscape {physical environment} and horizon {passive acceptance of poor health, housing, and employment opportunities}.

The converse of exclusion is inclusion – in particular financial inclusion – which is an important under-lying determinate of health and well being for individuals. However, as Tim Williams suggests (Regeneration and Renewal 2002), the ‘single issue is never poverty, racism or social inclusion. It’s the environment’. And so we move to regeneration.

What do we mean by regeneration? ‘At its simplest level, it implies the renewal of lost vitality, whether physical, social or economic (or some combination thereof)’ (Clements 2005, p.13). Alternatively, Williams suggests that it is about seeing areas ‘reborn’ (Regeneration and Renewal 2007). What is critical though is that it is a response to poverty, disadvantage, and deprivation ‘seeking to promote greater prosperity, wider social inclusion and an enhanced quality of life for local communities’ (op cit.: 13)

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Can housing led regeneration work in a poor community? The author's view is that it can but it requires two essentials: effective states and active communities.

In Wales, the attainment of the Welsh Housing Quality Standard (WHQS) by 2012 is an opportunity for housing led regeneration and is a political priority of the 'One Wales' coalition strategy. The role of the state in Wales dealing with housing to reduce inequality and poverty is highlighted in Appendix 1: it would not be unreasonable to suggest that the Welsh Assembly Government has given a priority to housing inequality. The Berkeley Hanover study spelt out the backlog of repairs and improvements {a remnant of the Thatcher era (The Observer 2009)} to reach the minimum standards set by WHQS (Institute of Welsh Affairs {IWA} 2006, p.3) and estimated that £3.3Bn was needed for 160,000 dwellings (excluding Bridgend because of the transfer to V2C) over 30 years representing an average cost of £23K per dwelling to 2035.

With housing at the heart of communities, the opportunity for housing led regeneration comes in the form of stock transfer from local authorities to new Registered Social Landlords (RSL's) or Community Mutuels. The plus element of the WHQS is associated with localising regeneration through active communities, especially if they are empowered as distinct from just engaged.

**What does WHQS plus look like and what are the benefits / successes so far?**

Social Housing stock in 22 Welsh local authorities requires:

- £3 - 4Bn to achieve WHQS by 2012;
- £4Bn over 30 years to maintain to WHQS;
- 12 South East Wales areas cover:
  - Almost 96,000 homes;
  - 400,000 elemental renewals;
  - >£200M renewing non traditional housing fabric;
  - >£130M environmental works schemes.

(i2i report by Savills 'WHQS Plus: maximising the benefits of housing investment').

There has been a degree of political sensitivity around the subject of stock transfer. The reality is that stock transfer has facilitated greater borrowing capability for the RSL's in providing homes and front-line services (Local authorities could not borrow because of 'green book' treasury rules) and facilitates empowerment of the residents within that housing community. It is most certainly not about providing dividends.

Currently, there is a very high concentration of the unemployed and economically inactive (poor communities) among those living in social housing. Housing stock transfer provides an opportunity to do something about the problems in an integrated way e.g. the triple dividend of boosting employment and community participation, improving housing stock quality and reducing carbon emissions.

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Bennett (2007) suggests that stock transfer offers the opportunity to unlock the full benefits of £3Bn of investment in Wales poorest communities by:

- 'creating jobs, training opportunities and business development opportunities for SME's through strategic procurement;
- Ensuring that the Communities Housing Mutual or Housing Association models act as an anchor for delivering accountability and regeneration benefits for tenants;
- Ensuring a renewed emphasis on sustainable development through making homes more energy efficient.'

The model for stock transfer represents an extension of the not-for-profit social economy with community housing mutuals gaining credence. Perhaps this is because 'mutuality works better in a crisis': a point that was highlighted in a conference at Cardiff University on 30<sup>th</sup> October 2009 (New Mutualism a Decade on: A Welsh Perspective). Alternatively, perhaps it is more correct to say that 'Mutualism chimes with the modern zeitgeist...' (Morgan and Jakeway 2009).

An attempt at reviewing the successes / benefits of WHQS plus (code for housing led regeneration) is set out below.

1. The first stock transfer to Valleys to Coast (V2C) in Bridgend resulted in expenditure of £70M on an extensive programme of repairs and improvements over the first 5 years, with a commitment of £290M over a 30-year period. 160+ jobs were created and 80+ jobs safeguarded by the adoption of local labour clauses (Welsh Assembly Government 2007, p10). Other benefits included partnering Bridgend County Borough Council on the construction skills centre; sensitive local procurement policies; enhancing and improving supply chain; developing a bidirectional approach to social enterprise. At the outset, V2C suggested that the transfer could be a catalyst to:
  - a. An improvement of housing stock linked to local regeneration strategies;
  - b. Putting housing at the heart of their community well-being plans;
  - c. A once in a lifetime opportunity to mobilise resources for a triple dividend:
    - i. Improving the lot of tenants;
    - ii. Creating new employment opportunities;
    - iii. Enhancing the quality of the built environment.

They suggested that stock transfer in the guise of attaining the WHQS would work if:

- There was seamless working;
- Key institutions were prepared to learn;
- They were able to push at the boundaries of procurement, partnership and participation;
- There was sufficient political will and leadership.

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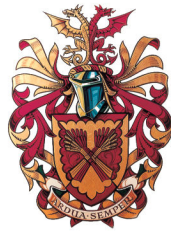
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At the time of submitting this assignment, V2C suggest that current satisfaction levels among tenants on improvement works is running at 96%, a statistic that absolutely vindicates stock transfer in that area.

2. RCT Homes have adopted a 'think local, be local' approach to jobs and training, localising the supply chain and aiming for a 15% job target for economically inactive. As an example of a housing mutual, their offer document promises to: improve homes; improve environments (safe and secure); improve services (informed and involved); deliver social inclusion benefits (financial wellbeing strategy). New local jobs have been created by RCT Homes: 53 positions within RCT Homes; 120 new jobs through major works for economically inactive. With their partners, RCT Homes is seeking to:
  - a. create a sustained legacy;
  - b. increase sense of place;
  - c. regenerate communities.
3. Housing Association models or Community Housing Mutuals are fulfilling a role in economic development, community regeneration, refugee and other activities, participation in Communities First Partnerships, Health & Well-Being Strategies, Spatial Planning exercise etc. They may have strategic partnerships: Regeneration Enterprise Board; Local Health Board; Communities First; Community Strategic Partnership; Groundwork Trust etc. All in all they could be described as quasi community regeneration agencies. This is a potent force: an empowered and active community working in tandem with an effective state. Morgan and Jakeway (2009) suggest that such bodies could help 'to integrate silos of regeneration policy, namely: public procurement; training; employment creation; social justice; environmental management and tenant empowerment'.
4. Community Mutuals (such as RCT Homes and Bron Afon) are deemed to be the most effective active communities in housing led regeneration because tenants (members) are part of the governance structure. They can adopt the democratic principles of the mutual / co-operative sector. This engenders confidence and leads to active citizens within active communities adopting a 'can do' philosophy in poor communities. A manifestation of this, for example, is that RCT Homes involved members in 150 tenant days appointing contractors. Furthermore, tenants have the opportunity to influence:
  - a. Good design ((LDA Design 2005) which directly affects the social, economic and environmental well being of cities, towns and villages;
  - b. Public sector organisations in South Wales to raise their game to become '21<sup>st</sup> century clients' (Savills, South Wales WHQS Collaboration Model, London, 2007).
  - c. Intervention: early housing advice can be a big plus with young people excluded from mainstream education. According to the Welsh Assembly Government in 2005 there were 12,000 young people aged

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16-18 not in employment, education or training{NEET}) equating to 10% of all young people aged 16-18 years.

5. According to data from Community Housing Cymru, total spend of Welsh Housing Associations in 2008/2009 was £487M – up 20% from last year. 80% retained in Wales through construction, labour, maintenance, land acquisition, transport, training and consumables. This reflects the power of purchase.
6. Social housing enablers and providers are now beginning to operate across local authority boundaries. E.g. In 2006 South East Wales Regional Housing Forum embarked upon a project to develop a Housing Market Model for SEW identifying key cross boundary market trends and issues (IWA 2006).

It helps to consider these successes and benefits against the latest audit commission report (Anon, 2009). The following points are extracted from that report. Co-incidentally and indirectly, they appear to be a big vote in favour of stock transfer and housing led regeneration.

- 'Improving the housing stock that already exists will help more people than building new houses ...
- Every £1 spent on providing housing support for vulnerable people can save nearly £2 in reduced costs of health services, tenancy failures, crime and residential care.
- 75% of councils whose strategic housing function was inspected by the audit commission were rated as fair or poor; only one of the first 85 councils inspected rated excellent.
- Few councils recognise how housing strategy can meet objectives beyond housing.....' ..... [What about holistic regeneration].

The successes outlined above leads the author to conclude that housing led regeneration can work in a poor area. Why? Because:

1. An effective state and active community working together represents a potent force to ameliorate poverty and the 'noxious cocktail' in poor communities.
2. WHQS plus is code for housing led regeneration and the most effective delivery mechanism for this is the Community Mutual model because governance is within the gift of the community, thereby building trust, confidence and giving empowerment especially in relation to 'the power of purchase'.
3. In effect, these are regeneration organisations that are able to adopt a holistic approach to housing, health, employment, and reducing inequality in their area.
4. In a South Wales context, it has the real power of being one of the contributory factors leading to regional renewal in the Valleys proving that 'the world's oldest depressed area can rediscover the ingredient that every viable community needs – confidence in its' future' (Morgan 2008).

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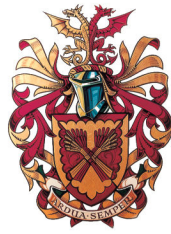
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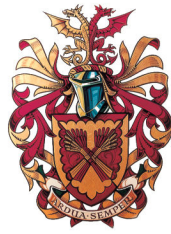
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## **APPENDIX 1**

### **Welsh Assembly Government (WAG) Policies supporting Housing**

Devolved National Assembly with devolved responsibilities:

- Better Homes for People in Wales (WAG 2001)  
NB: General Improvement Areas, Housing Action Areas and the 1998 Welsh House Condition Survey (WAG 1999).
- Wales: A Better Country (WAG 2003)
- A Winning Wales (WAG 2004)
- Wales Spatial Plan (WAG 2004)

Light in Housing Gloom – review of affordable housing in Wales (Jocelyn Davies, Deputy Housing Minister to Sue Essex)

One of the key conclusions of her review:

'Quite simply, house building and renovation can support:

- Skills development and employment;
- Community cohesion and regeneration;
- Sustainable and mixed communities;
- Health and well being;
- Thoughtfully done, also making a contribution to reducing carbon dioxide'.

One Wales – target of 6,500 new affordable homes by the Spring of 2011.

Other Strategies include:

National Housing Strategy  
Supporting People Strategy  
Homelessness Plans  
Mortgage Rescue Action Plan  
Financial Inclusion Strategy  
10 Year Homelessness Plan  
Green Jobs Strategy

Housing appears to be at the core of WAG's objectives in promoting a sustainable economy in that 6 out of the 10 objectives listed in the Wales Spatial Plan directly impinge on housing (p.83 Future of Social Housing in Wales – IWA) (p.21 – The Wales Spatial Plan: People, Places, Futures 2004).

Arguments for good quality housing central to wider goals: health and well being; environmental improvement; community development; opportunity for training and employment and overall area regeneration.

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