



TOWARD SOCIAL STABILITY
AND ECONOMIC DEVELOPMENT

INTERNATIONAL CONFERENCE ON
PRACTICAL APPROACHES TO
HOUSING SECTOR DEVELOPMENT
IN TRANSITION COUNTRIES

WEDNESDAY 19 – FRIDAY 21 MAY 2004
SARAJEVO, BOSNIA I HERZEGOVINA

THEME

BOTTOM UP APPROACHES TO REGENERATION
AND REINVESTMENT

EXAMPLES FROM THE UNITED KINGDOM

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Thanks go to Angela Garrard, Reinvestment Strategy Manager at William Sutton Housing Association who provided much of the original data on which this paper is based

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1. INTRODUCTION

- 1.1 This paper is concerned with the broader socio-economic aspects of achieving sustainable and liveable cities : facilitating the creation of a strong, cohesive and inclusive society. It focuses on understanding human behaviour to identify the tools to produce these objectives, through consideration of the range of actors involved and the actions and outcomes they are involved in. In doing this it looks at the issues around influencing and managing change and overcoming inertia in redevelopment and regeneration initiatives.
- 1.2 The HUMAN Advisory Network was created by the UNECE CHS in 1997. It is a small group of seven active practitioners, drawn equally from the West and from countries in transition. Stephanie Bamford has been a member of the Network since 2000. The Network, which is independent, works with and advises the CHS on the identification of strategic issues of long term importance; development of strategy; the facilitation of knowledge transfer and know how within the ECE area; development of contacts with non governmental organisations (NGO's), regional institutions, donors and funders, and the business community; and also provides expertise in implementing the agreed programme of work to achieve tangible and useful results, at the local level.
- 1.3 This paper focuses on work done in the late 1990's by William Sutton Trust, now called William Sutton Housing Association (WSHA), which is one of the UK's oldest, largest and most influential registered social landlords (RSLs) or housing associations. It came into being under the will of William Richard Sutton, who died in 1900. WSHA, over 100 years on, owns and manages 24,000 homes which are let to tenants at affordable rents in 45 local authority areas in England. It has continually invested in its stock of homes, and has maintained its estates to a high standard using both public and private finance. The investment obligations of an RSL, or housing association are continuing ones, and WSHA stock requires £90m to be spent on maintenance and repairs over the next ten years.

- 1.4 This paper, we hope, will be of interest, because it illustrates a methodology for sustainability and liveability through redevelopment and regeneration, which has been developed, tested, and proved to be successful. It is a methodology that addresses several strategic issues at the same time, including the need :
- for WSHA to maintain and increase the value of its assets in the longer term
 - to address issues of low demand for social housing in some UK geographies and local areas
 - the need to tackle wider social exclusion issues
 - to assess the stability of the community and movement within it
 - to improve the environment and enhance the appearance of the local area to attract new residents.
- 1.5 The research was in part supported by the UK's Department for the Environment, Transport and the Regions (DETR), now the Office of the Deputy Prime Minister (ODPM), through a Housing Corporation Innovation and Good Practice grant, and both the DETR (ODPM) and the Housing Corporation were represented on the Independent Panel which advised, questioned and commented on the innovative work being done by William Sutton Housing Association.
- 1.6 The Independent Panel particularly welcomed the fact that WSHA had recognised that housing is a factor that needs to be related to other issues in the creation of a healthy environment. These issues include employment, health, education, social justice and anti-crime measures. The Independent Panel also welcomed the comprehensive approach to these issues adopted by WSHA, and commented that, for once, the concept of 'joined up thinking' was being put into practice, rather than being the subject for conversation. The view of the panel was that the development and implementation of a strategy that embraced all the relevant issues and agencies would have a good chance of leading to successful co-operation between participants to produce the required outputs.

2. PRISM (PROPERTY REINVESTMENT STRATEGY MODEL)

- 2.1 The investment climate is changing for WSHA as it is for many other housing associations in the UK. Investment is no longer about just spending on the physical fabric; it is about helping create sustainable communities and an improved quality of life for residents. Investment decisions are not simply for experts to make. Resident involvement is critical to developing successful solutions. Alongside this and the need for more carefully planned investment is the issue of understanding changing demand. Communities and areas of low demand cannot be abandoned so responsible landlords must find ways of making sensible investment

decisions to support communities and the wider neighbourhood and take account of their needs and priorities.

2.2 WSHA foresaw the need to have a means of deciding both how to prioritise estates for stock investment and, in certain areas, whether its established stock reinvestment programmes were still appropriate. In other words, WSHA required a framework for making absolute investment decisions and WSHA took the decision that its stock reinvestment priorities should be driven by the aim of creating sustainable communities on its estates and in the wider neighbourhood in the longer term, through regeneration and reinvestment . The PRISM methodology has been designed as a diagnostic management tool and the framework enables WSHA to identify and evaluate its priority investment strategies and to monitor their impact over time.

2.3 The model consists of four key stages :

2.3.1 **Estate Prioritisation**

The first stage of the process involved the assessment of all WSHA estates against key indicators of sustainability or the Sustainability Index. The purpose of these indicators was threefold :

- they were to be used to give an overview of the actual or potential sustainability of individual estates and the need or otherwise for further investigation of the underlying issues
- the Sustainability Index was intended as the measure against which a range of investment options should be assessed
- the Sustainability Index was the measure against which the impact of remedial initiatives should be assessed over time.

The Sustainability Index was developed from the perspective that there were some factors governing local sustainability that were solely or partly within WSHA's influence, and some which were clearly outside WSHA's direct influence. Five key factors were considered :

- demand for WSHA properties i.e. trends in lettings on the estate
- physical condition of the stock, i.e. the level of modernisation and repair of the estate
- the estate environment i.e. the facilities provided, the maintenance of the open spaces
- the estate community i.e. the stability and cohesion of the community on the estate and within the wider neighbourhood

- social exclusion and the local area i.e. factors affecting the immediate neighbourhood, including an assessment of demand for other property within the area.

The first four of these factors can be seen to be within the remit of WSHA's internal policies and procedures. However, the fifth factor was considered to be primarily within the remit of the local authority as the lead agency, but the importance of partnership in achieving change is critical here.

A benchmark was established against each indicator, representing the level at which some concern would be generated and which would trigger the need for further investigation. The aim of this stage was to ring an alarm bell, either in absolute terms, or relative to the pattern elsewhere within WSHA.

Some of the indicators devised were obvious and widely used in the housing association sector, such as turnover and re-let times. Others were specifically devised to try and give a "snapshot" of a complex issue. Within the scope of demand for WSHA's estate for example, it was considered important to try and gain some broad measure of the market completion. For example, the rent as a proportion of vacant market value might indicate that WSHA was favourably or unfavourably positioned to attract new residents. A rent/market ratio of 10% or more would indicate low market values and therefore possible competition with owner occupation. A high rent / value ratio in comparison with other landlords would indicate that WSHA faced competition within the rented sector.

An area of particular difficulty was determining indicators to measure social exclusion in the local area because of the lack of local information. However, indicators such as rent arrears, housing benefit take-up, unemployment rate, demographic projections, education opportunities and local facilities have been utilised to assess the overall opportunities within an area.

2.3.2 Estate Assessment

The second stage involves local research into the underlying causes of decline on particular estates or in neighbourhoods, the identification of local strategies and the exploration of investment options to tackle the issues. The framework devised by WSHA incorporates consultation with estate residents, ensuring their involvement as part and parcel of both the investigative research and when considering and prioritising options for investment. However, the involvement of and consultation with local communities in areas at risk is also critical in achieving longer term sustainability.

Understanding less tangible aspects of neighbourhood change will depend on feed back from a range of sources from "the conversation at the bus stop" to comprehensive and co-ordinated surveys which may require the

involvement of several partners and a lead from the Local Authority. At the heart of fundamental decisions on the future of an estate or neighbourhood lies the Local Authority's strategy for the area. This is considered to be one of the leading indicators in the framework, both for triggering the alarm and for the potential success of remedial action.

2.3.3 Option Appraisal

The third main element of the reinvestment framework is a model for option appraisal which is designed to :

- facilitate assessment of the relative costs and benefits of a range of investment options
- ensure that the options considered are relevant to the overall aim of maintaining or improving the sustainability and social inclusion of an estate.

The option appraisal model consists in principle of :

- a financial appraisal of the quantifiable costs and benefits of each option. Such costs might include the actual cost of works and reduction in rent income on properties demolished. Benefits include savings on securing voids, reduced management and responsive maintenance costs together with income generated from property sales or sale of land released by demolition
- an appraisal of other benefits and "disadvantages" by measuring the impact they are likely to have on an estate, measured against the sustainability indicators. Some of these are quantifiable such as an increase in demand and improved energy efficiency. Others are non-quantifiable and will require a qualitative judgement about perceptions of the estate such as improved appearance or reduced fear of crime.

The two parts of the model may of course produce opposing results. One option could present a relatively poor return on investment in purely financial terms but deliver the most cost effective solutions in social terms. Therefore, it is imperative that local views are taken into account in order to enable the measurement and objective evaluation of each outcome.

3. INVESTMENT PROGRAMMING

- 3.1 The approach that WSHA took to investigating issues of sustainability and deciding the range of solutions on each estate was to establish a Focus Team, involving local 'front line' WSHA employees, technical and more senior divisionally based employees. The criteria developed as part of the model were given as guidance to the teams involved. Each Focus Team

was given the task of producing a Masterplan for its estate addressing the following issues :

- demand
- social exclusion
- employment
- health
- education
- crime
- demography
- residents views and surveys
- past, current and future expenditure on the estate
- dialogue with local authorities and other agencies.

3.2 Once the analysis of all estates was completed it became apparent to the Focus Teams that no single solution could be applied to each estate owned by WSHA. All estates warranted different solutions. Some solutions reflected individual issues which may have only affected WSHA owned properties or only parts of the estate; others would have a wider impact on the neighbourhood as a whole and which needed to be part of a wider scenario and partnership with other agencies.

3.3 The extent to which local authority strategies have been developed is also dependent on whether the local authority has begun to accept low demand as an issue and whether it has begun to work strategically with other agencies. Where local authorities have started to develop their own strategies and Local Strategic Partnerships (LSP's), they have generally welcomed an input from WSHA and are sharing information and practices on community sustainability. However, where they have not prioritised the neighbourhood for attention, WSHA finds it is having to forge ahead with its own ideas independently, whilst pursuing dialogue with the local authority and other agencies.

4. IMPLEMENTATION OF PRISM MANCHESTER GORTON ESTATE – AN EXAMPLE

4.1 In the first 18 months since the first Masterplans were drawn up for each estate, WSHA employees worked closely with residents and other agencies to identify the best solutions and put them into practice.

4.2 WSHA's Gorton estate in Manchester is a good example of where close working with residents and the wider community is having a real impact. Working with residents and the community has been central to WSHA's approach to create a cohesive policy and has been based on three key principles:

- Having a structure in place which allows WSHA employees and residents to work together and make joint decisions

- Valuing and making use of individual and collective knowledge and expertise
- Having an accountable process which enables progress to be monitored.

4.3 These are some of the projects which are already in place or which will take place in the near future in Gorton:

4.3.1 **Crime and Safety**

- Initiative to tackle anti-social behaviour
- Community Safety Audit
- Participation in the Neighbourhood Warden Scheme.

4.3.2 **Redevelopment**

- On-going modernisation programme to upgrade standards
- Initiative to provide new fencing, driveways, gateways
- Working with a partner developer to demolish unpopular flats and bedsits and provide newbuild sale and rent properties
- Sale of properties on the estate through the Government sponsored Voluntary Purchase Grant (VPG) scheme to existing residents
- Improved office accommodation for on-site management employees
- Use of empty residential properties for offices for external agencies such as Social Services.

4.3.3 **Special Needs**

- Special needs schemes.

4.3.4 **Employment and Training**

- Employment initiative. Use of New Deal for Communities (NDC's) grants
- Establishment of a 'mothers & toddlers' group.

4.3.5 **Youth Work and Education**

- Youth Project. Radio Regen promotes education and learning skills
- Successful bid for an Information, Communications and Technology (ICT) Learning Centre for the wider Gorton community to be based on the WSHA estate.

4.3.6 **Health**

- New community centre and play area
- Programme of summer activities for young people on the estate.

4.3.7 **Allocations**

- Use of Starter Tenancies. Assured Shorthold Tenancies to monitor conduct of tenancy before a permanent offer of accommodation is made.

4.3.8 Residents Survey

- A comprehensive residents survey so that residents can have a say in the day to day management of the estate and identify issues of concern.

5. CONCLUSIONS

5.1 Many neighbourhoods across the country have been caught in a spiral of decline over the last two decades. Neighbourhood decline has been fuelled by a combination of factors :

- economic change
- mass unemployment
- family breakdown
- decline in popularity of social housing
- concentration of vulnerable people in poorer areas
- increased crime, vandalism and drug dealing.

5.2 Housing, economic and land-use strategies and forecasts often fail to address low demand or deprived areas and in many cases could contribute to the problem because :

- weak links between strategies mean that changes in demand are not addressed in or between authorities
- strategies can be too narrow to take into account the broader social and demographic changes in an area, or fail to link with other strategies which are tackling overlapping issues
- when regenerating neighbourhoods or building new developments, good practice in housing and neighbourhood design is not always followed
- policies have failed to harness the knowledge and energy of local people, or empower them to provide their own solutions. There is a lack of leadership and ownership and a failure to encourage innovation or good practice.

5.3 It is essential to co-ordinate services around the needs of each neighbourhood if resources and policies are to translate into real change.

5.4 Too much time can be spent tied up in multiple small scale partnerships unconnected by an overarching local strategy.

- 5.5 What WSHA has been and is currently working on through PRISM is to bring together a variety of agencies, voluntary sectors and the local community to create a framework for regeneration which:
- enables priorities to be set, services set up and delivered and the process to be monitored
 - brings together those who can offer, deliver or commission different services together with those residents or members of the wider community for who the services are to be provided
 - ensures other local partnerships and agencies know how they fit into the wider picture to achieve cohesion of policies and therefore sustainability.

6. SUMMARY

- 6.1 The objective of WSHA at the start of the project was to identify a means of deciding not just how, but whether to continue capital investment through traditional programmes on its estates. WSHA started and concluded the project with the philosophy that no estate would be abandoned but that a way of assessing the future sustainability of its estates was required so that the potential return on investment in both social and financial terms could be judged.
- 6.2 However the need for comprehensive internal and external information systems is paramount. The work in WSHA has led to the conclusion that the factors affecting whether a neighbourhood can be regenerated or whether the objective is indeed “managing decline” are complex. Moreover, the trend in one direction or another is volatile and subject to change in relatively short time periods.
- 6.3 Perhaps the most significant conclusion is that partnership is vital to the development of appropriate investment strategies for local areas. It is also essential for reaching a view about whether the objective is regeneration or about managing out-migration from an area. Conversely, the absence of a multi-agency response may actually accelerate neighbourhood decline by contributing to oversupply and the consequent instability of the community.
- 6.4 Finally, WSHA found that local knowledge was critical for a true understanding of the markets and all research to try and understand the underlying causes of change must be community based and proactive. Many housing associations working in volatile areas do

already devote resources to engaging with their local communities as does WSHA. On single landlord estates, ongoing dialogue with the wider

community outside the estate is perhaps a less obvious routine activity but is essential to the understanding of, management of, and influence on social changes in the neighbourhood, and thus to effective investment in its own stock.

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