

Regeneration The Bigger Picture

North West Housing Forum
Bolton

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| Introduction



- ***'Housing is not a question of Conservatism or Socialism, it's a question of humanity'***
(Harold Macmillan, 1925)
- How can housing be a vehicle for social and economic progress? Does it have a central function in ensuring economic growth is inclusive?
- How should we understand the deep interdependencies with other social policy fields?
- **How can we better evaluate and articulate the social and economic impacts of investment in housing?**

| Fifteen years ago



| Regeneration then and now

2003

- Housing Market Renewal
- New Deal for Communities
- Area Based Initiatives
- Tackling social exclusion

2018

- LEPs
- Devolution
- Infrastructure
- Trickle-down

| What can housing do?

Housing underpins a focus on **place**

Housing supports **health and wellbeing**

Housing can reduce the **costs of welfare**

Housing
underpins a
focus on
place



| **Place matters**

Civic. Localities and neighbourhoods are the locus of civic activity. People anchor their lives and activities around where they live.

Integration. The locality is an appropriate geographic scale for service delivery – which is more easily integrated across a range of agencies and actors at the local level.

Political. Local areas are politically meaningful. Decision making can be more transparent and achieve greater buy-in from communities if there is a direct line of sight to local issues.

Economic. Local areas are hubs of economic participation and activity. Moreover, synergies can be found in service delivery at the local level, which can avoid duplication.

| Place-making matters, too

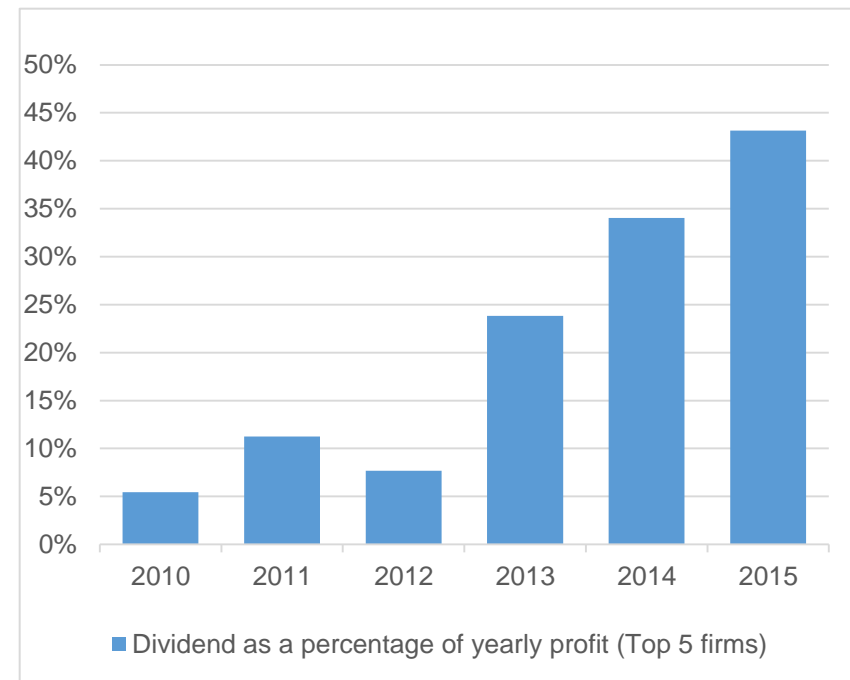
Regeneration makes sense because it represents an efficient use of public resources.

- Good development in the right places maximises the value of infrastructure, and raises the value of land.
- Regeneration supports the sustainability of local services.
- Tenure and social mix are still goals worth aiming for. Communities and local services are more resilient. Risks are spread.

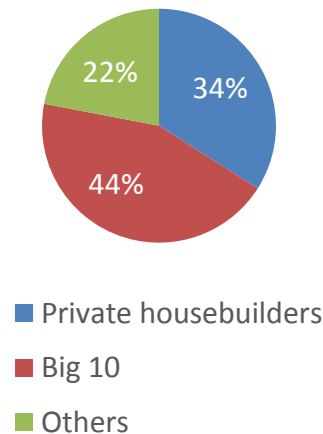
But the structure and operation of the house-building sector will not deliver this without intervention.

UK housebuilding

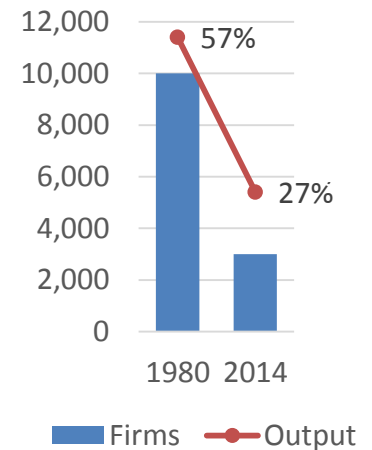
- Profits from housebuilding are not always reinvested in further delivery.
- Mergers and land deals have been driving profit.
- Housebuilders are risk-averse.
- Consolidation has hurt output.



New dwellings



SMEs



| The challenges

- **Better evidencing the economic benefits of new housing.**
Every £1 invested in housing delivers £2.40-2.80 in benefits.
But Treasury rules don't always recognise the GVA of housing.
- **Regeneration appraisals discount the role of construction**
and ignore second-order labour market and economic effects.
 - Indirect jobs – resulting from chains of moves
 - Stemming the loss of economically active households from an area
 - Spending in local economies – trades, white goods
- **Lack of specific gap funding to overcome viability problems.**

Housing
supports
health and
wellbeing



| The health benefits of good housing

“Our home is not just a dwelling place... It is the main setting for our health throughout our lives.”

(Public Health England)

- Poor housing costs the NHS at least £1.4 billion per year.
- The worst problems are in the PRS, which has been growing the fastest.

Housing organisations can deliver



£3.37 ROI

for every £1 invested

"Discharge support"



1000
older
people



callouts

"First call falls service"



55% GP visits



"End of life support"



for £700 per week

"Complex mental
health"



"Community building"



33% outpatient visits

28% GP visits



"Warm homes"

NHS Alliance

| Housing is the setting for early intervention

- Complex needs
- Mental health
- Rehabilitation
- Housing First approaches – finding independence

Housing can
reduce the
costs of
welfare



Investing in housing is better than welfare reform

- **Demand side subsidies are expensive.** The UK spends over £25 billion a year on Housing Benefit. PRS rents are double those in the Social Rented Sector, which is subject to rent reduction policies.
- **Rent reduction is slowing output.** It will lead to 14,000-27,000 fewer social rented homes being built.
- **Welfare reforms are causing real hardships.** But they're not realising savings for Treasury. Withdrawing housing cost element of UC from 18-21 year olds will only save £75 million, but will lead to homelessness.

Welfare reforms harm the local economy.

Housing boosts the local economy.

- In Leeds, every adult will be on average £700 worse off per year as a result of welfare reforms introduced in 2015.
- This is money lost to the local economy.
- The right mix of housing can attract new population to an area.

Economic Context



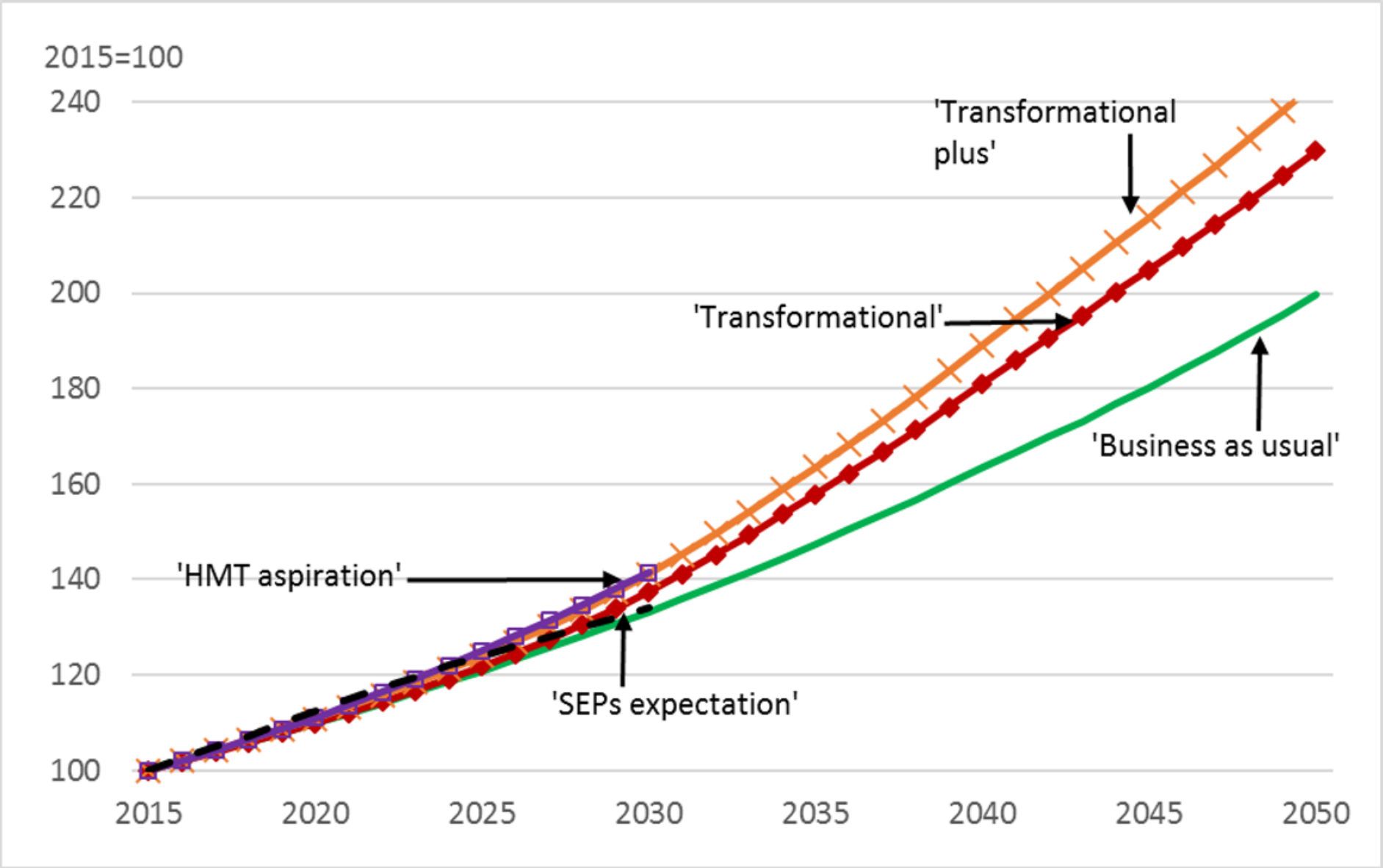
Figure 13:**Grouping of cities according to exports per job and productivity**

Exports per job	Productivity	Quadrant	Cities
Above average	Above average	A	Aberdeen, Aldershot, Crawley, Derby, London, Milton Keynes, Oxford, Portsmouth, Reading, Slough, Southampton, Worthing
Above average	Below average	B	Brighton, Burnley, Coventry, Ipswich, Peterborough, Plymouth, Sunderland, Telford
Below average	Below average	C	Barnsley, Birkenhead, Birmingham, Blackburn, Blackpool, Bournemouth, Bradford, Bristol, Cardiff, Doncaster, Dundee, Exeter, Glasgow, Gloucester, Huddersfield, Hull, Leeds, Leicester, Liverpool, Luton, Manchester, Mansfield, Middlesbrough, Newcastle, Newport, Northampton, Norwich, Nottingham, Preston, Sheffield, Southend, Stoke, Swansea, Wakefield, Warrington, Wigan, York
Below average	Above average	D	Basildon, Cambridge, Chatham, Edinburgh, Swindon

Source: ONS 2016, Regionalised estimates of UK service exports; HMRC 2016, Regional Trade Statistics; ONS 2016, Business Register of Employment Survey; ONS 2016, Regional Value Added (income approach)

Source: Centre for Cities (2017) *Cities Outlook*

Figure 4-2: Real GVA in the scenarios (Index 100 = Year 2015)



Source: SQW/CE (2016) *Northern Powerhouse Independent Economic Review*

| The role of infrastructure

- Infrastructure will be a critical part of the solution
- Demanded by industry and local communities alike
- Housing supply will be unlocked in areas with infrastructure investment
- But this will not necessarily help to close gaps

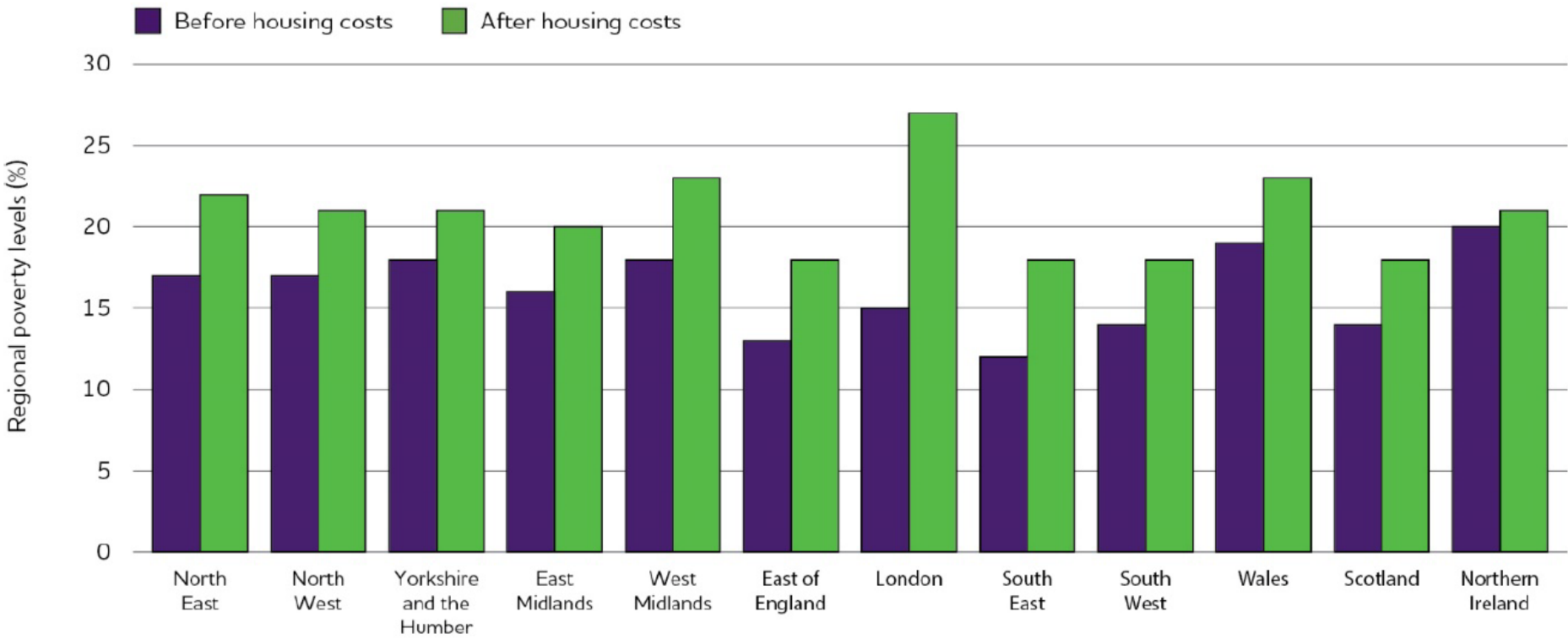
| HS2

- HS2 will reinforce a settlement hierarchy based around key metros and their subsidiary towns/cities
- **Residential:** Much will depend on locations of access to HS2 for car-borne day travel
- **Firm location:** Unlikely to alter the map of firm locations but will focus new professional/knowledge/digital jobs towards Manchester and Leeds

| Transport investment gaps

	Spend	Per capita (2016-2021 average)
London*	£ 12,450,144,254	£ 1,364
East of England	£ 2,347,011,109	£ 375
North East	£ 806,352,394	£ 304
South East	£ 2,662,220,173	£ 289
North West	£ 2,100,763,232	£ 289
North	£ 4,258,370,496	£ 277
West Midlands	£ 1,563,033,104	£ 266
Yorkshire & the Humber	£ 1,351,254,870	£ 247
South West	£ 1,227,418,171	£ 219
East Midlands	£ 924,321,977	£ 193
* excluding Crossrail		

Figure 1: Regional poverty levels before and after housing costs are taken into account (as a percentage of the population)



Source: DWP (2015)

	Increasing availability					Improving quality			Reducing costs		Supporting employment through housing activities	
	Accelerating housing delivery/ increasing supply	Increasing the supply of housing in the private rented sector	Increasing the supply of affordable housing	Increasing the supply of local authority housing through additional Housing Revenue Account borrowing	Re-using empty housing	Improving housing quality	Delivering housing-led regeneration	Regulating the private rented sector	Reducing direct housing costs	Energy efficiency	Linking housing development to job creation	Providing employment support
Greater Lincolnshire	•		•									
Greater Manchester	•											
Heart of the South West	•										•	
Hertfordshire	•		•				•					
Humber	•		•	•		•	•			•	•	
Lancashire	•	•	•	•		•		•				
Leeds City Region	•		•		•		•		•	•	•	
Leicester and Leicestershire	•		•	•			•					
Liverpool City Region	•	•			•		•			•	•	
London	•	•	•	•			•			•		
New Anglia	•	•	•	•			•				•	
North Eastern	•		•				•					
Northamptonshire	•	•	•				•				•	
Oxfordshire	•	•	•	•			•				•	
Sheffield City Region	•										•	
Solent	•		•	•								
South East	•	•	•	•	•	•	•	•			•	

| Challenges

- Living without Help to Buy
- Right to Buy and other policies reframing what 'social renting' is
- Placemaking and 'sustainable communities': playing second fiddle to numbers
- Regeneration: lack of opportunities
- Additionality - focusing scarce resources where it will add value
- Understanding markets - we have lost the evidence base



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HOUSING EVIDENCE

UK Collaborative Centre for Housing Evidence (CaCHE)

- A new national research centre, independent of government and other interests.
- Funded for 5 years, 2017-2022
- £6 million of funding from ESRC, Joseph Rowntree Foundation and AHRC, including match funding from Universities, CIH, RTPI, RICS, Shelter, Wheatley Group, Rightmove, Retties
- Northern Hub led by Sheffield Hallam University

Funded by:



Arts & Humanities
Research Council

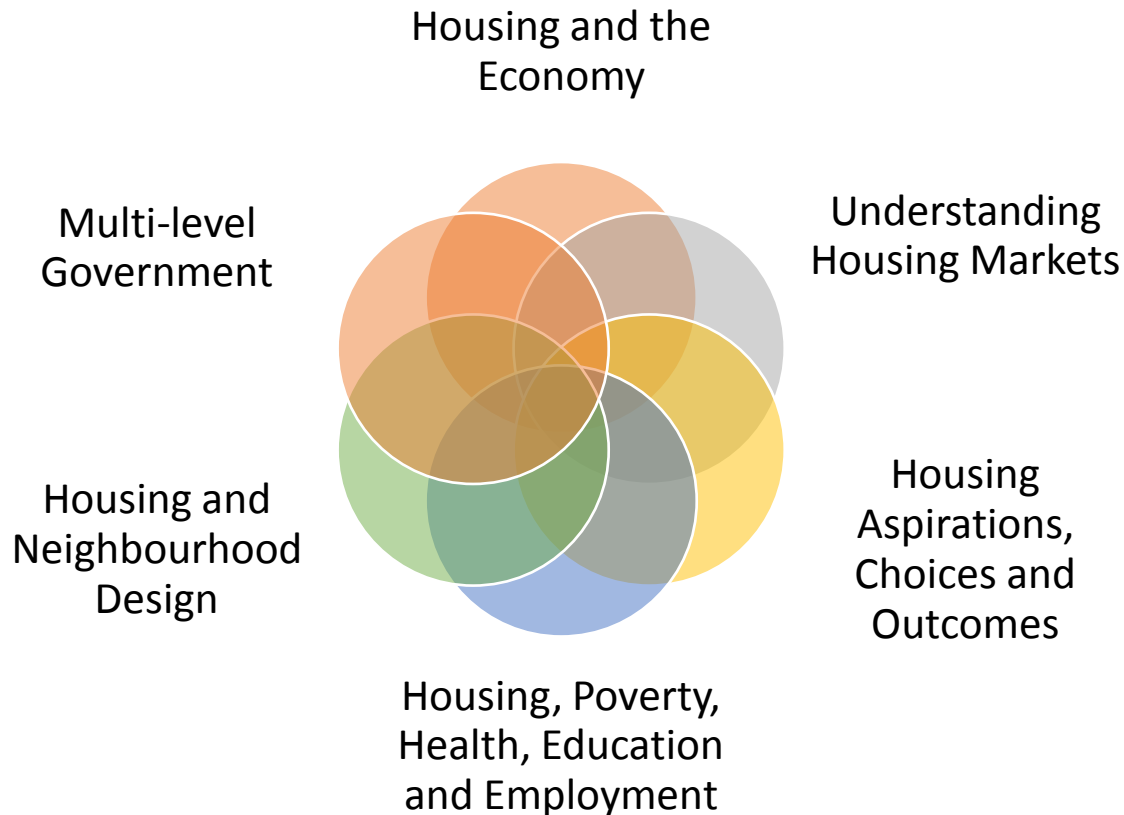


JOSEPH
ROWNTREE
FOUNDATION



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CaCHE is focusing on six overlapping themes





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Role of the Northern Hub

- Work in partnership with the Centre to co-produce, co-manage, and jointly deliver all activities
- **Define strategic research questions with the greatest potential to benefit society and that lead to research that would not otherwise have occurred**
- **Identify projects to be developed with our collaborators**
- **Provide policymaking input to help incubate and produce new research**
- **Assist in disseminating compelling ideas**
- Engage continuously in two-way dialogue with the Centre throughout the lifetime of the Project

***‘There are no silver bullets’
‘[New supply] is not going
to be effective on its own’
Kate Barker (2017)***

Summary

The case for regeneration rests on:

- Placemaking
- Housing and Health
- Reducing welfare dependence

Promoting economic inclusion and
‘good growth’

**Articulating the social and
economic impacts of housing is
key.**



**Sheffield
Hallam
University**

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Thank you