

Discussion Paper - Making Places That Work
A Proposition for Housing Regeneration in the North
September 2017

Summary

This paper is seeking to advance discussion around a modernised approach to housing regeneration as a key component of growth in the North. The Northern Housing Consortium (NHC) are looking for a shift in approach to enable place making centred on strengthening housing supply to create greater economic confidence and market desirability. Through a small number of pilot schemes in predominantly private sector areas, the NHC want to see housing regeneration tools and strategies tested, and their outcomes measured, to ultimately enable places to move from being net receivers of public finance and to positively add to local and national tax bases.

Background

Following the publication of the findings of the Commission for Housing in the North in December 2016, the NHC has undertaken further work to help progress one of the key recommendations – that in the North, new forms of regeneration are needed to address the broken housing markets highlighted by the Housing White Paper. Through consultation with our membership and industry networks and drawing on their extensive and comprehensive experience, we have considered the primary housing challenges and opportunities facing these areas and begun to shape ideas on what is needed to rise to this and to deliver positive outcomes, for people in economically disconnected communities

Our view is that there are a series of common issues facing neighbourhoods in the North that are seeking to address the structural challenges created by their post-industrial economic legacy. While many of the symptoms are common, often the causes will vary from place to place and so the tools and strategies needed to make progress will also vary. This requires a high degree of local flexibility in policy and investment prioritisation consolidated around place making.

We know that addressing the deep seated challenges facing some areas requires sustained, long term commitment which develops **with** communities and helps bring about transformational improvements to economic and labour participation. Crucially to this paper, however, we also believe there are areas across the North where poor housing is holding back economic inclusion. In our major cities, there are places where uplift in the local economy has not permeated through to some local communities or strengthened housing supply despite good transport links and access to employment opportunities. During the course of our work we have heard of some powerful examples that demonstrate how improving the quality of the housing offer in these types of areas is making better use of existing assets and can provide an early platform for sustainable growth.

It is for these reasons that we would like to see a partnership between local and national government supported by ourselves and the new UK Collaborative Centre for Housing Evidence (CaCHE), establish a small number of practical pilot schemes across the 3 Northern Regions to develop modern approaches to cross-tenure housing regeneration to drive work to better connect communities to the economic mainstream. Through this, we will be able to ensure that delivery partners have access to strong evidence and research on those practical interventions that will be most effective. We will then be able to evaluate and

share widely what is working and accurately demonstrate value for money and social return on investment.

To trigger discussion, we have identified a number of key challenges facing the kinds of area that we would envisage running these schemes, then looked at the opportunities they could have to overcome this, the types of tools they may need for the job and finally some thoughts on what the outcomes could be and how these would be measured to allow replication.

The challenges

- The neighbourhood acts as an overall draw on public resources – stemming from a concentration of issues such as low incomes, poor health, weak educational attainment and high crime levels. Typically there is limited resident engagement or confidence, fragmented cohesion and few positive local peers.
- Stemming from the above, the neighbourhood has a poor, negative wider reputation. Physically, this is manifested in a 'broken housing market' – with low quality and high turnover in an unattractive environment.
- Values are low, insufficient to attract new private housing development on brownfield land and to overcome the kinds of remediation issues typical on post-industrial sites.
- Even with comparatively low house prices, there is limited access to owner occupation because of income levels, the nature of prevailing types of employment and access to deposits.
- Low quality private rented sector is the dominant tenure – bringing with it spiralling Housing Benefit bills, insecurity and concerns over safety.

The opportunities

- The availability of currently unviable brownfield development sites and/or unproductive land uses coupled with a pro-development approach from LAs presents valuable opportunities to boost new supply with the potential to mitigate pressure on green belt.
- Many areas lie within otherwise flourishing cities close to centres of economic strength and will allow better use of existing infrastructure and transport networks.
- Positive, tangible housing activity to help overcome an areas' negative reputation could open up new markets, boost confidence and help strengthen existing communities – typically this has been from younger people but there may, for example, be opportunities to remodel stock for older households looking to downsize.
- Typically, these neighbourhoods provide great opportunities for affordable home ownership – it has been the quality of the stock and neighbourhood that has held this back from flourishing. There are good examples in the North to draw from where quality has been raised without losing this important feature of the local market.
- There has for some time been strong investor interest in providing good quality new rented homes in the North. To date this has often been concentrated in a relatively few places and market segments – work of the proposed nature should be able to attract new investment to provide a far better privately rented product, improving choice, tenancy length and so drive up standards elsewhere. This work to improve rental standards could be complemented by targeted enforcement work to tackle those landlords who do not offer good quality homes.
- Focused place based plans and investment from national and local government will give confidence to existing housing providers and to new developers to help overcome barriers and meet common, shared objectives.

What is needed?

- A clear long term vision and commitment to raise the quality and quantity of housing in the area as part of the wider planning framework. This would be strongly place focussed and be shaped by and with residents to ensure they were the primary beneficiaries of the improvements and greater economic connectivity. The vision and commitment would be backed by a comprehensive strategy to bring about positive change and enhanced capacity to develop and use the practical tools needed.
- Up front physical and social investment to demonstrate commitment and bring about immediate change to overcome initial barriers to create the conditions needed to boost market confidence.
- Environmental and housing works to improve low quality existing homes making them safer, warmer, more attractive and easier to maintain.
- Work with landlords to raise property and management standards.

Outcomes

- A market that works for residents in terms of quality, choice and affordability
- Stronger communities with more confident residents
- Developer interest and site viability
- Higher quality private rented homes
- Increased ownership
- Increased net supply of safe homes
- A strengthened tax base and overall decreased demand on the public purse

How do we do this?

The recent work around Estate Regeneration has recognised the importance of some of the issues identified through the Commission for Housing in the North, in particular, around the impact of poor housing quality on exacerbating exclusion and of the latent brownfield development opportunities. We have, however, also identified a number of issues, including the cross tenure nature and the limited viability of sites, that means a different approach is needed – one which can develop solutions further “upstream”. The NHC are looking to work with Government to practically address the issues flagged in this paper to make a vital contribution to meeting both national and local housing ambitions. We feel that, as with the Estate Regeneration Programme, there would be value in identifying a small number of places of predominantly private sector housing as pilot schemes that would most benefit from intervention and to work with them in developing clear housing objectives and the strategies to meet these.

One area where the NHC would be uniquely placed to add significant value to the proposal is through our ability to call on our membership to provide examples of practical tools to then help deliver this work. This would include private area based renewal schemes, landlord licensing, through to apprenticeships and working with schools.