ResPublica
society · prosperity · virtue

Great Estates:

Putting communities at the heart of regeneration

Edward Douglas - November 2016

About the Author

Edward Douglas is a senior policy and projects officer at ResPublica.

Acknowledgments

ResPublica would like to thank the Mears Group who kindly supported this project. Special thanks are extended to Adam Wildman, Principal Research Consultant at ResPublica, for his editorial work on this project, and to Mark Latham from Urban Splash, Victor Chamberlain from Pocket Living, Denise Barrett from Birmingham City Council and David Gleeson and Kathryn Eames from YourMK for their help with the case studies. We would also like to thank Graham Allen MP; Mark Winterburn, Policy Advisor at the Royal Institute of British Architects; and Brian Robson, Policy and Research Programme Manager at the Joseph Rowntree Foundation.

About ResPublica

The ResPublica Trust (ResPublica) is an independent non-partisan think tank. Through our research, policy innovation and programmes, we seek to establish a new economic, social and cultural settlement. In order to heal the long-term rifts in our country, we aim to combat the concentration of wealth and power by distributing ownership and agency to all, and by reinstilling culture and virtue across our economy and society.

Contents

Introduction

It is our contention that communities should be put at the heart of estate regeneration to maximise its potential for delivering new housing and boosting life chances around the country. That means giving communities power over regeneration schemes where they are planned, and unlocking new opportunities for funding schemes where they are needed but currently not possible.

On 13 July this year, Theresa May used the opportunity of her first speech as Prime Minister to set out her ambitions to make Britain a country that works for everyone. For the new Prime Minister, this means looking at what government can usefully do to spread opportunity to all parts of the country – particularly to those places that have been left behind as our economy has shifted in the last few decades.

A good starting point for this agenda would be estate regeneration. Millions of people around the country live on estates, many of which are amongst our most deprived communities across a range of indicators – from health and education to incomes, employment and crime.

Regeneration has the potential to enable people to flourish and to make estates great places to live. But under the current policy framework, communities are not guaranteed a genuine stake in the process. Many others will not see the benefits successful regeneration can bring because only £140 million has been made available for 100 schemes as part of the Estate Regeneration Strategy – and not enough is being done to unlock other forms of investment.

In this paper, we look at what the Government's current plans for estate regeneration can deliver for communities around the country – and what they cannot. To do this, we outline and develop a new typology of council estates to understand what the priorities for regeneration should be in different parts of the country, and assess whether the current policy and funding framework is sufficient to meet them. We survey case studies to identify examples of best practice, and use these to set out how the forthcoming Estate Regeneration Strategy can reach its potential. We also look at what more the Government needs to do if it is serious about spreading prosperity to all parts of the country.

Context

The Government's stated priorities of estate regeneration are twofold: tackling deprivation and increasing housing supply. The Government announced a £140 million regeneration fund as part of now-postponed Life Chances Strategy.[1] But housing supply was cited as a key aim of regeneration, after a report from Savills, commissioned by the Cabinet Office, claimed that London's estates could provide sites for 360,000 new homes in the capital.[2] On launching the Estate Regeneration Panel, Lord Heseltine suggested this was about social justice as much as housing supply:

> *"Estates regeneration is key to transforming the lives of people living on poorly designed housing projects."*

In short, estate regeneration is pursued as a 'win win': meeting demand for new homes and supporting existing residents. In this paper, we will try to disentangle the aims of tackling deprivation and spreading opportunity on the one hand; and boosting housing supply on the other. These aims can be complementary but they are not necessarily so – in fact in some cases they can have an antagonistic relationship. This is particularly the case when communities are not given a genuine stake in redevelopment.

We will argue that we need a 'One Nation' approach to regeneration that advantages residents of estates and delivers homes where they are required. The need to reconnect all parts of the country with economic opportunity and social wellbeing is difficult to understate because it gets to the heart of the Prime Minister's welcome ambition to make Britain a country that works for everyone.

Under the current framework, this poses a set of challenges.

The Government has stated a preference for schemes to be community led.[3] This is the right one. Our research last year highlighted that satisfaction with a place is closely linked to a range of health and well-being outcomes – and satisfaction with a place is closely linked in turn with how much of a stake a person has in it.[4] Moreover, it is most often the existing community who know what works and what does not work in their area. If we want to transform estates for the better, we need to give people the power to lead on their regeneration – as has been widely recognised.[5]

Doing community engagement properly is neither easy nor cheap. The Government has stated a preference for "commercially viable schemes which have the potential to be self-financing", with a fund of £140 million for the 100 estates selected – equivalent to £1.4 million each.

To put that into context, the first phase of regeneration of Sheffield's Park Hill estate required £39 million of public funding; redevelopment of the Packington Estate in Islington required £33 million of gap funding; and it has been estimated that the average cost of demolition alone of a single estate stands at £50 million.[6] Viability relies heavily on the potential for densification, the needs of existing residents, and land values. These vary across the country – what works in inner London will not necessarily work in Dudley; and what works in Southampton will not necessarily translate to Blackpool. Estate regeneration must work for everyone. But a reliance on the private sector is not sufficient – it risks damaging existing communities to supply new homes in the South East, and leaving behind other communities in weaker housing markets everywhere else.

We cannot hope to meet all of these challenges in this paper. Our aim is to show the nature of the challenge facing us in different places around the country. We have done this by identifying the types of estates we should be concerned with, based on analysis of over 100 communities in all parts of the country.

We then look at a set of case studies of current regeneration schemes to understand what best practice looks like across these estate types, and what can be done to facilitate this best practice. We set out three policy recommendations for the forthcoming Estate Regeneration Strategy and for the Government as it takes this agenda beyond the current work of Lord Heseltine's Panel.

Defining Estates – Beyond Bricks and Mortar

There is no 'one size fits all' model for regeneration because there is no single type of estate. We know that just under 9 million people live in public housing in England and Wales.[7] An estimated 3,500 estates are in London alone, but there are social housing estates in and around towns and cities across the country.[8]

Estates, for the purpose of regeneration, must be existing social housing. Most were built in the housebuilding drives of the interwar and postwar years. Beyond that, they can be big (such as Becontree in Barking and Dagenham, where 26,000 homes were built in the 1930s) or small; be occupied by mostly social tenants, or by a mix of social tenants and owner-occupiers following the introduction of the Right to Buy policy; be integrated within a dense urban environment, or "islanded" in the outer regions of a city; feature mainly high rise buildings, mainly low rise, or a mix of the two; be of varying densities; and have been well or poorly maintained.[9]

For the purpose of regeneration, there are two key considerations:

1. Its potential to provide sites for much-needed new housing: If a relatively low density estate is located in an area of high housing need, we can say that that estate should be a candidate for densification.

2. Its ability to serve its residents: If outcomes, such as the unemployment rate or life expectancy, are worse on an estate than the surrounding locality, policy-makers should seek to deliver solutions to address estate-based deprivation.

Recently, there has been a lot of important work carried out on the first point, largely focused on meeting London's housing shortage. Savills' report *Completing London's Streets* report published earlier this year found that up to 360,000 new homes could be built through densification of London's estates.[10] A more recent study found that this figure was likely to be nearer to 4,000 to 8,000 homes in the capital each year given the length of regeneration projects and the already high densities on many estates.[11] What we lack is an understanding of how best to advantage existing residents and address deprivation through this process of densification.

We need to move beyond bricks and mortar to understand what should be done in estates outside of London and the South East where deprivation is concentrated but land values are not sufficient to make the business case for densification. First, we need a clearer understanding of the problem.

A further complicating factor is that a range of policy initiatives over the last few decades, such as the Neighbourhood Renewal Fund the New Deal for Communities (NDC), have focused on 'place' improvements (e.g. housing, the community and the physical environment). Tackling deprivation on estates now means focusing more on 'people' related outcomes such as health, education and skills, well-being and worklessness, a theme picked up by DCLG's review of the NDC.[12][13] These outcomes cannot be addressed solely through bricks and mortar regeneration.[14] However, a focus on people related outcomes could bring significant financial benefits – on 12 well known estates alone, reducing unemployment to local authority averages would generate revenue and savings for the Government of £140 million to 2030 – the same amount currently available in total for initiatives on 100 estates.[15]

Methodology

To do this, we have analysed a cross-section of mainly large estates in England – 122 in total. We have based our analysis on two characteristics:

1. Deprivation: To assess whether an estate is relatively deprived (that is, deprivation levels are higher on the estate than the local authority area average), we have used Index of Multiple Deprivation data at the Lower Layer Super Output Area level and then rated this against the local authority ranking.

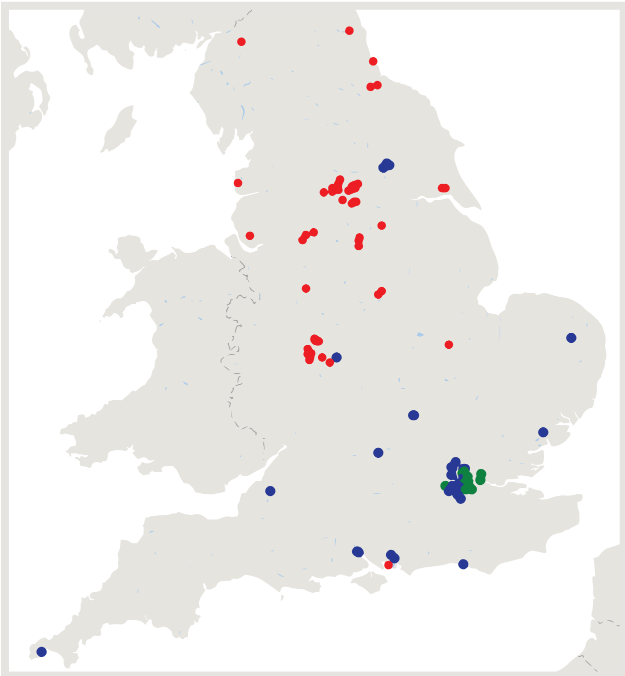
2. Housing demand: To judge whether an estate is located in an area in which housing demand makes densification a priority, we have compared housing affordability data at the local authority level with the national average. Affordability in this context means the ratio of house prices to incomes.

Comparing deprivation on estates with affordability data allows us to divide estates into four categories:

	Relative Deprivation	No Relative Deprivation
Low Affordability	2	1
High Affordability	3	4

- Of the 122 estates we assessed, 24 (19.7%) fall into category 4. For the purposes of estate regeneration, type 4 estates are unlikely to be of concern to policy-makers. For the other 98, 13.1% are type 1; 25.4% are type 2 estates; and 41.8% are type 3 estates.

Figure 1 - Estate types around the country, see Table 1 for colour guide



The North-South Divide

When we plot our 122 estates onto a map (see Figure 1), the geographical spread of these estates is striking. In our study, we find that estates across the North East, North West and the Midlands are in pockets of severe deprivation.

While this is only a small sample, it does suggest that many of the most deprived places in the country are likely to miss out from densification-led regeneration – and communities in the North and the Midlands are likely to be left further behind. That is because the focus of the Government's Estate Regeneration Panel is on schemes that are commercially viable and can be private sector led.

That is because, where land values are high, densification can deliver homes for market rent and sale that can generate revenue to cross-subsidise other tenures and wider initiatives to address deprivation on an estate. Where land values are low, it is not viable to do this – nor, where void rates are high, is densification the answer to local challenges.

What policy makers need to realise is, regeneration is about more than just housing densification. Poor conditions in existing stock are not limited to London; and as Figure 1 shows, high levels of deprivation exist on estates across the country.

A Closer Look

Type 1: Low deprivation, low affordability

As can be seen in Figure 1, Type 1 estates are largely concentrated in Inner London, where housing need is most acute and affordability is lowest – in boroughs such as Southwark, Tower Hamlets and Islington. The ratio of house prices to earnings is at least 13 and up to 16 in these places.[16] At the same time, deprivation levels are lower than in the borough as a whole.

That does not mean that challenges do not exist. Our research has found that income, access to housing and crime should be areas of concern. In our study, 44% of Type 1 estates are in the top decile for income deprivation and 81% are in the top quintile; for barriers to housing and services, this reaches 56% and 88% respectively; and for crime, the figures are 44% and 75%.

The challenge for regenerating Type 1 estates is to ensure building new homes is done in a way that:

1) Builds on existing success and supports existing social capital and community bonds;
2) Addresses estate-based problems such as crime and incomes.

Regenerating Type 1 estates

Type 1 estates are likely to be prime candidates for regeneration because they are located in London where housing demand means that making best use of available land is a priority. In these cases, it is vital that power is given to residents to shape the development of their estates; and that the pursuit of new housing supply brings with it genuine advantages for existing residents. Involving residents and tailoring schemes to local need improves outcomes.[17] We also know that maintaining low rents and secure tenancies, and avoiding displacement of people, is vital to reducing poverty, improving well-being and reducing the housing benefit bill over the long-term.[18]

As these estates are concentrated solely in London, the issue of funding would appear ostensibly to be ready-answered. However, the costs of demolition, building replacement homes, provision of temporary rehousing, the potential for loss of housing capacity, the risk of increased crime as property sits empty, and the dangers of damaging community bonds mean that this should not be taken as a given.[19] Moreover, there is a danger that hyperdensification is pursued to maximise the commercial return of schemes on these estates. As has been found elsewhere, hyperdensification threatens 'street life' in the capital and damages life chances through the degradation of public spaces and other negative changes to the public realm.[20] In the next section, we examine case studies to assess where densification can be both community-led and financially viable.

Type 2: High deprivation, low affordability

Figure 2 shows that Type 2 estates are found largely in Inner and Outer London and in high growth cities in the South East such as Milton Keynes, Oxford and Brighton. These are places where housing need is high and affordability is low. At the same time, deprivation levels are higher than in the borough as a whole. For example, seven estates in Milton Keynes rate in the top 15% most deprived areas in the country; and London boroughs such as Brent, Haringey and Barnet contain estates that are ranked in the top decile for total deprivation.

In short, these are deprived parts of affluent areas, but that deprivation appears to vary in and out of London. In our study, no Type 2 estates in London are in the top decile for health or education deprivation; for those outside the capital, the figures are 56% and 44% respectively. 55% of Type 2 estates are in the top decile for income deprivation and 84% are in the top quintile; for employment, the figures are 42% and 77%.

The challenge for regenerating Type 2 estates is to:

1) Address existing people-related and place-related deprivation;
2) Deliver new housing to meet local needs.

Regenerating Type 2 estates

In high growth cities such as Brighton, Oxford, Milton Keynes and Bristol, housing need is acute. If these cities are to reach their growth potential, new sites for residential development need to be utilised – particularly where the green belt constrains land supply. However, as with Type 1 estates, this is a goal external to the needs of estates in these cities, so it is again vital that communities are given the tools and powers needed to have a genuine say over the direction and form regeneration takes in their communities.

At the same time, the challenge for developing Type 2 estates is to ensure the drive to build new homes is harnessed to support wider efforts to address these concentrations of deprivation. An approach that solely focuses on the delivery of new units on these estates risks extending existing problems rather than addressing them.

Type 3: High deprivation, high affordability

On estates in places ranging from Blackpool to Carlisle and from Walsall to Stoke-on-Trent, deprivation levels are particularly high but land values are low. Grange Park in Blackpool, the Victoria Estate in Stockton-on-Tees, and Orchard Park in Kingston-upon-Hull rank within the top 1% for total deprivation in the country.

These estates are performing worse than their local authority areas on total deprivation – many of which themselves are some of the more deprived in the country. They also demonstrate high levels of multiple disadvantage. In our study, 76% of Type 3 estates are in the top decile for income deprivation; 73% are in the top decile for employment deprivation; 63% for health deprivation; and 76% for education.

While outside factors such as long-term deindustrialisation have significantly contributed to this, our findings suggest we also need to recognise the role that public housing estates have played in increasing the cycle of deprivation. Many are victims of the disconnection that means estate residents are cut off from opportunity and prosperity in their wider locality.[21]

The challenge for regenerating Type 3 estates is to:

1) Develop solutions to address multiple deprivation across communities;
2) Explore new sources of funding for place-based interventions.

Regenerating Type 3 estates

For Types 1 and 2 estates, opportunities for successful regeneration exist – the question is how to harness the potential of land values to do this. In Type 3 estates this is not possible, so we need to assess what the Government can do at the national and local level to deliver opportunities where the private sector alone cannot. After all, tackling multiple disadvantage requires a strategy to address people-related outcomes, such as health, incomes and unemployment, alongside place-related outcomes such as housing, the physical environment and crime.[22]

For Type 3 estates, a 'bricks and mortar' approach alone may not meet the needs of communities. Energy efficiency improvements reduce energy bills and thereby reduce poverty;[23] improvements to the built environment improve well-being and reduce crime.[24] On estates where unemployment is above the area average, and where health outcomes and educational attainment are below the local average, we also need to consider what can be done to improve public service delivery and overcome disconnection from opportunities and prosperity.

A key barrier is funding. The £140 million available through the Department for Communities and Local Government's Estate Regeneration Panel and existing Government support for housing investment, are either not sufficient or not available for the types of schemes needed on these estates; and local authorities are constrained by the Housing and Revenue Account borrowing cap and overall funding reductions. This means that other sources of funding, such as social investment, have a role to play in filling the gap. Successful interventions that address disadvantage also provide increased tax revenues and reduce pressures on public spending, so there is a case for additional capital and revenue funding to be provided by the Government. This is a difficult challenge, and solutions will only arrive over the long-term – but it is one that a One Nation Government must address beyond the publication of the Estate Regeneration Strategy.

We now turn to look at current and recently completed regeneration schemes across these estate types to understand the barriers and opportunities that exist within the current policy framework.

Case Studies

Having set out the nature of the challenge of regeneration, and what its aims should be focused towards, we now need to understand what can be done within the current framework across the estate types we have identified.

In this section, we survey case studies of current or recently completed regeneration schemes that fit the Government's priorities for regeneration: they are largely or jointly private sector-led, based upon community consultation, and for those in areas of high housing need, they deliver higher densities. Crucially, however, we consider what can be done where land values cannot deliver the potential for cross-subsidy of wider regeneration. As we have seen, this is crucial given the volume of estates that fit into this category, and the depth of deprivation and need in those places.

What they demonstrate is what is possible within the current funding envelope for regeneration; and what can – and cannot – be achieved when the private sector, public sector and residents act together to repurpose and regenerate a place. They also show that there is no 'one size fits all' approach to regeneration – the type of estate, its location, its size and the existing community are all key variables.

The conclusion from this is that central government's role is to facilitate best practice. Once we have examined current examples of best practice, we will look at what policy options are open to the Government that can be introduced alongside the Estate Regeneration Strategy to maximise its potential.

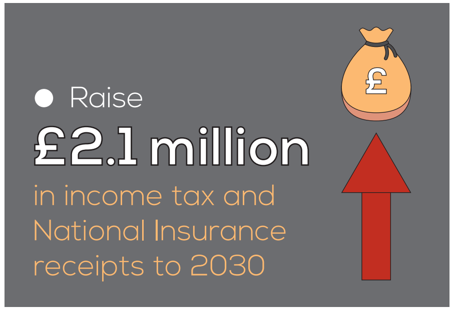
Mountearl Estate, Lambeth, London - Type 1

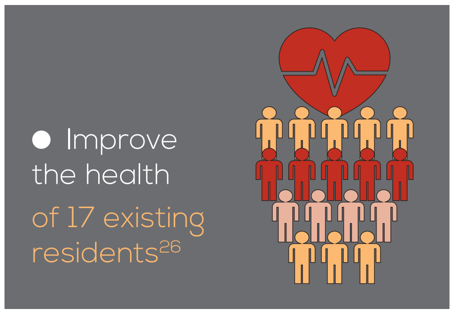
Background

The Mountearl Estate is located in Lambeth, one of the most densely populated London boroughs. While availability of land for new development is very limited, the number of households in the borough is forecasted to grow by 19% by 2026.

The Housing Needs Assessment indicated a pressing need for one and two bed units, and the Council has prioritised provision of intermediate affordable to maintain and build mixed communities in the borough. Mountearl is a small estate but surplus garages and car park space was identified as a possible site for new development given local housing need. Lambeth Council has said publicly that it is unable to fund regeneration and refurbishment of its 1960s and 1970s estates and so has pursued different approaches to meet local need.[25]

Mountearl is a small estate, but we estimate that regeneration that brought outcomes for existing residents up to the Lambeth average could still...





Regeneration Plan

In this context, the Council agreed to dispose of an underused car park and garage site on the Mountearl Estate to Pocket Living, for 32 new 1 and 2 bedroom homes for sale. These will be sold at submarket rate (80% of the local market price) to local residents who would otherwise be locked out of home ownership; and will be built to the Joseph Rowntree Lifetime Homes standard. The developer's use of modular construction meant the build out time was only 9 months.

The estate is less deprived than the borough as a whole. That said, its residents still face key challenges – unemployment stands at 8.4%, above the borough average of 6.3%; and the number of people considering their health to be bad or very bad is 1.1% above the Lambeth average. The estate also sits in the top decile for income deprivation nationally. The scheme was designed to allocate funding for facilities and services to improve these outcomes.

Community Engagement

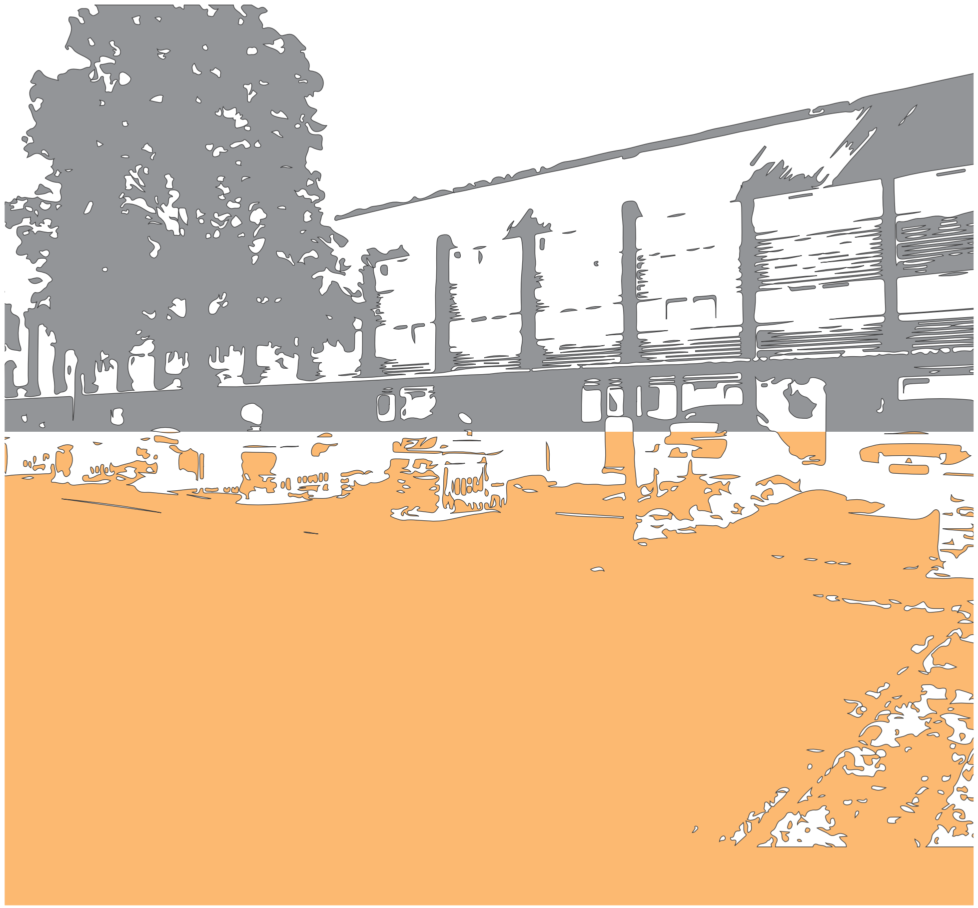
Extensive community discussions, engagement and ongoing communication helped to shape the plans for densification of the estate and its wider regeneration. The local community, including the local residents' association, have been directly engaged in the process of delivering the new community hub, a new outdoor gym, landscaping and a sensory garden. This has been co-shaped with residents, with infill development designed in this way an opportunity to give existing residents the tools with which to deliver new facilities and services from the bottom up.

Funded By

The land was purchased using the money Pocket received from the GLA Housing Covenant Fund. As the development was for intermediate affordable housing, the Council agreed to dispose of the site with a restrictive covenant at a restricted valuation. It was valued on this basis by Lambert Smith Hampton acting on behalf of the Council and Pocket paid the price the council valued the land at. This was a key factor in making the delivery of homes at submarket prices viable. £80,000 of the proceeds from the land sale was ringfenced to fund the new community hub.

Benefits of approach	Limits of approach
Speed and minimisation of disruption to existing residents	It is small in scale and new homes are for sale only
No displacement of existing residents	No improvements are made to existing homes
Generation of wider benefits for the community and builds on existing successes	It does not maximise capital receipts for the local authority
Densification that benefits local residents through restrictions on the eligibility to buy	

Seven Estates, Milton Keynes, Buckinghamshire – Type 2



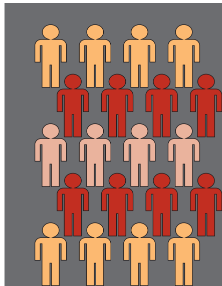
Background

Milton Keynes is a city of contrasts. It is one of the country's fastest growing cities, and is expected to outpace London's growth this year.[27] At the same time, it contains eleven estates that fall within the most deprived 15% of areas in the country. Of these, seven have significant housing issues: Beanhill, Coffee Hall, Fullers Slade, Lakes Estate, Netherfield, North Bradville and Tinkers Bridge.

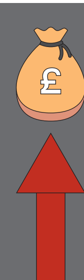
There are over 20,000 homes on these estates with an investment backlog of over £100 million, increasingly driven by reactive rather than planned repairs. Many have been identified as being in a very poor physical condition and in need of significant repairs and maintenance, but it has become financially unviable to develop planned programmes to make an impact on the backlog. Meanwhile, there is no community support for stock transfer. With around 50% of homes on the estate still owned by the Council, a regeneration programme that resolved the physical condition of council properties would not deliver comprehensive transformation.

At the same time, there is high demand for new housing. Regeneration offers an opportunity to build extra homes to meet local need whilst giving existing residents new opportunities to flourish and benefit from the wider city's growth. In addition to the need for new housing, the conditions of existing homes need to be improved; unemployment on these estates is high – reaching 13% in Netherfield, far in excess of the city average of 4.6%; and life expectancies vary by 12 years across ward boundaries in Milton Keynes.

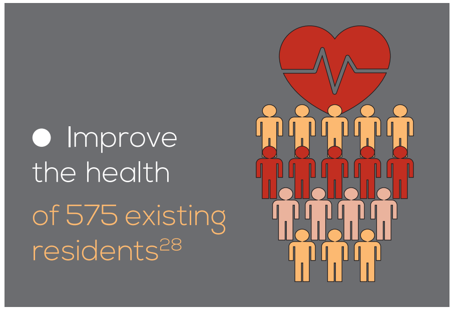
Across these seven estates, we estimate that regeneration that brought outcomes for existing residents up to the Milton Keynes average could...



- Help 488 additional existing residents into work



- Raise **£41.8 million** in income tax and National Insurance receipts to 2030



Regeneration Plan

This scheme is an instructive demonstration of how public and private sectors can work together to finance and deliver community-led regeneration. To meet the specific needs of these seven estates, a Competitive Dialogue process was initiated to enable a bespoke, 'whole estate' regeneration programme, flexible enough to incorporate public and private forms of financing and funding.

YourMK, a limited liability partnership (LLP) between Milton Keynes Council and Mears Group, has been set up to deliver the asset management and repairs and maintenance of all council owned stock, and a 15 year programme of regeneration beginning in March 2017. YourMK will deliver a community-led regeneration, with community development and engagement being the first phase of every regeneration scheme.[29] As such, no plans have yet been announced on what regeneration will look like, but options on the table include refurbishment of existing homes, and the delivery of new units through either infill on surplus sites or phased, partial redevelopment of parts of the estates.

There is a primary focus on improving employment and local outcomes, with social and economic indicators part of the strategic Key Performance Indicator (KPI) set for YourMK. Work is already underway in the form of employment and training initiatives to upskill residents, improve educational attainment, provide employment support, and offer direct routes into the construction sector.

If done in the right way, the schemes will reconnect residents with the economic opportunities in the city to foster inclusive growth, improve poor quality housing stock to ensure housing standards and places support well-being, and provide much needed new housing stock.

Community Engagement

No decision has yet been taken on the form that the regeneration programme will take, while a survey of stock condition is undertaken. Meanwhile, YourMK has worked to engage with residents and community stakeholders to build the capacity of communities to participate in the regeneration process.

The stock condition survey together with an assessment of funding, will determine the order of estates to be regenerated; with each scheme then shaped through year-long consultation and community participation. Success cannot be judged yet, but it does demonstrate that fullscale engagement and community participation can be put at the heart of largescale regeneration.

YourMK has also committed to ensuring existing residents – whether social tenants or owner-occupiers – are able to stay in the community where possible. There has been a commitment to ensuring no net loss of social housing across the programme and to offering choice to residents. The key challenge is whether this can be delivered within a commercially-framed approach.

Funded By

Specific details on the funding arrangement for the regeneration programme are not yet available. However, the LLP is an innovative solution to local needs that has been set up to harness the potential of public and private funding and financing. As part of this, it is able to accommodate different funding streams (e.g. Housing and Revenue Account, General Fund, Developer Finance and Institutional Finance). It is incentivised to generate surpluses to contribute to future funding, and become financially self-sustaining.

Benefits of approach	Limits of approach
The LLP approach for large schemes should help to mitigate problems associated with developer-led models that see more disruption and delay by fostering productive collaboration between public and private sectors	Size and length of project means that there is still the potential for uncertainty for residents and for delays if market conditions change – particularly for owner-occupiers
Focus on delivering bespoke solutions for each estate, with powers to determine optimal mix of tenures on different estates	Too early to judge impact of this approach
Stated intention to be genuinely community-led	
All residents can benefit – via engagement and offer of either a new home or refurbishment	
Stated focus on 'people' interventions – such as employment support – should ease high levels of deprivation	
Commitment to phased approach to redevelopment should minimise disruption to residents; and social tenants will protected	

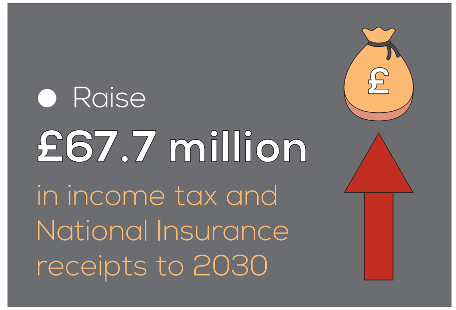
Ladywood, Birmingham – Type 3

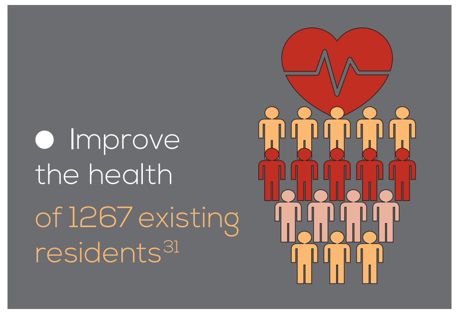
Background

Ladywood is an inner city district of Birmingham, home to some of the most impoverished communities in the city living in council homes built following slum clearance in the 1960s. At that time, 20 tower blocks were built in Ladywood. Since the early 2000s, work has been done to demolish and refurbish council stock and introduce measures such as CCTV as part of efforts to improve quality of life and well-being.

The focus is moving from a deficit to an asset based approach. Parts of Ladywood are affluent; and its inner city location mean that the challenge is not to overcome physical disconnection but other forms of disconnection from opportunity and the labour market.[30]

We estimate that regeneration that brought outcomes for existing residents up to the Birmingham average could…





Regeneration Plan

Regeneration in Ladywood is about assets, rather than the more traditional deficit model. Birmingham City Council have piloted work with innovative social enterprise Town Digital Hub to deliver an online 'one stop shop' for local wellbeing services, called WellBrum; and the public service delivery is being better integrated locally through a revitalised community and health centre hub.[32] The Ladywood Health and Community Centre was built in the 1990s and is home to a number of voluntary, community and council-run projects, who each outreach within the community.

This is a local authority-led approach to place-based public service delivery to address difficulties in working across public sector agencies and services, such as Clinical Commissioning Groups, GPs, the Department for Work and Pensions and Jobcentre Plus; and better connect people with local community and voluntary groups. Providing physical and digital hubs aims to overcome artificial silos in service delivery and centre service provision around the needs of individual people. The aim is to improve access to health and social care, education, housing, emergency services, criminal justice, and employment support – particularly for those people most disconnected from accessing support.

Community Engagement

The WellBrum Digital Platform was developed in consultation with local partners and community groups. An open evening was held at which the developer walked through the platform with users. The intention is to support local mentors, offering tablet technology, in return for training other local people.

Funded By

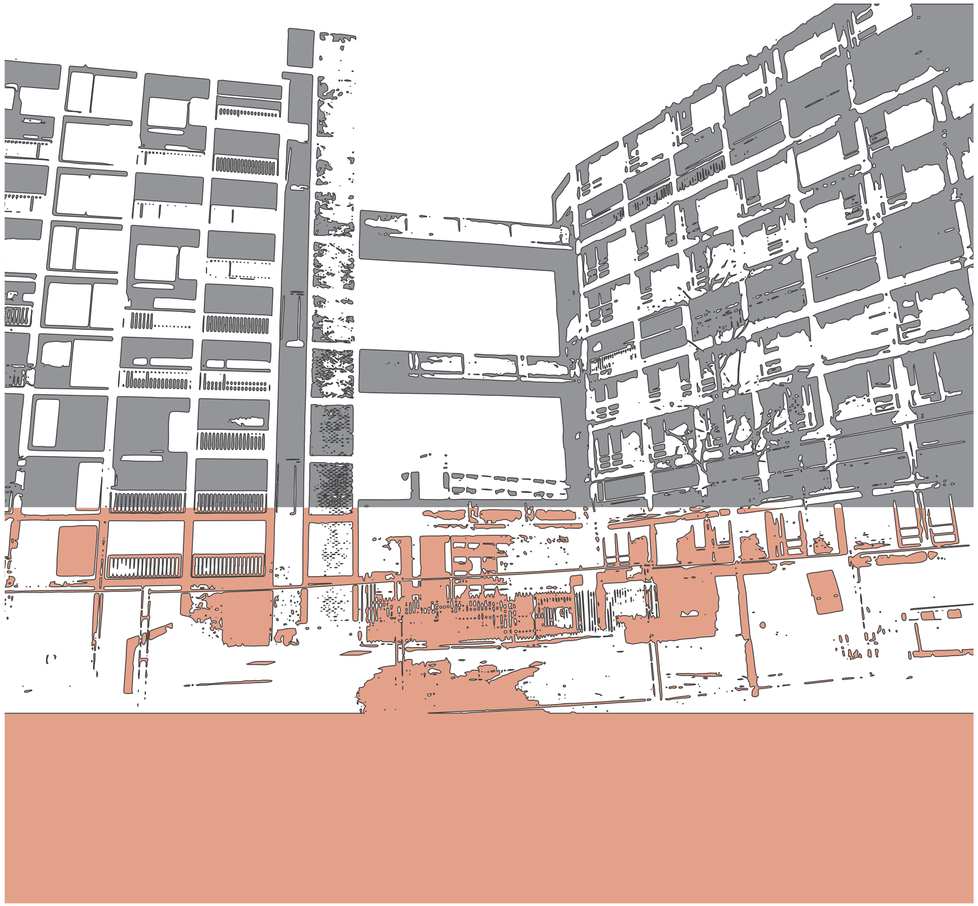
The Town Digital Hub pilot project is an example of how social investment can fund innovative approaches to regeneration on Type 3 estates. Sponsored by the Royal Society of Arts, it is delivered by a social enterprise (at a projected cost of £2,500 per 10,000 residents per annum city wide). This does not include the cost of connecting residents with the service, which are likely to be particularly high for older, digitally excluded residents. However, the benefit to public services has been estimated to be around £10,000 per citizen per annum. The barrier remains impact evaluation – the cost reduction to statutory services of this approach may not be clear for 5 years. This raises uncertainty around long-term collaborative funding for the project.

The Centre's operating costs are funded by Birmingham City Council, supplemented by NHS contributions to premises and room hire charges. The Future Operating Model for this and other Community Centres is currently being developed by the Council's Place Directorate. There is a local community development trust with interest in developing the future of the Centre.

Any potential asset transfer request will be considered in light of the Future Operating Model work. Meanwhile, Birmingham City Council is working with the community and voluntary sector to support bids for external funding, based on a collaboration of core project to offer holistic, progressive and coherent pathways of support for local people.

Benefits of approach	Limits of approach
Offers new ways to address key indicators of poverty	Problems with existing housing stock – such as damp or energy efficiency – that are key links between housing and poverty are not addressed by this approach
The potential benefits are high; the level of upfront capital investment is low compared with bricks and mortar approaches to regeneration	It is currently difficult to measure impact – and therefore difficult to attract long-term funding
Residents are enabled in project development and receive the benefits of better public service delivery without the cost of disruption to their homes and local places	

Park Hill, Sheffield – Type 3



Background

Park Hill is a Grade 2 listed estate, consisting of 996 flats overlooking Sheffield city centre. Developers Urban Splash formed a development agreement with Sheffield City Council in 2004 to regenerate the estate, which at that point had very few remaining residents following a period of decanting. Housing association Great Places is the landlord for the social homes on the estate. Alongside the need to make best use of this asset to meet local housing needs, the estate's prominent city centre location made regeneration vital to improving what had become an 'eyesore'.

Regeneration Plan

The challenge for an estate of this kind has been its listed status, which puts significant restrictions on the scope of renovation. Since then, the estate has undergone significant redevelopment. With the economic downturn delaying the scheme, after 12 years – and two years after the original final completion date – only the first phase has been completed. The first building has been renovated inside and out, and improvements made to the public realm. Employment and business space has been provided on the lower 4 floors of the building, and the local nursery school has been allocated new premises. When finished, the redevelopment will deliver 874 apartments and 40,000 square feet of commercial space.

Funding

The total project costs were initially set at £160 million, including £39 million of public funding provided by the Transform South Yorkshire partnership and Homes and Communities Agency, over £20 million of which was gap funding. As a Grade 2 listed building, funding was also provided to ensure the renovation met English Heritage criteria. Without this financial package, it is likely that Park Hill would have remained undeveloped or that a less ambitious approach would have been taken to its redevelopment.

Community Engagement

As stated above, the existing community by the time regeneration began was very small – only 26 households had to be rehoused. These residents were engaged to understand what worked and didn't work about the estate through its history, and residents were able to move into the new building. In addition, Great Places has worked with residents of the new block to set up a residents' association to support community integration and give residents a voice as the scheme progresses.[33]

With a low number of residents and a phased approach fundamental to the scheme, 18 of the 26 social rented flats in the redeveloped block have been let to residents who have moved from elsewhere on the estate. The other eight are now occupied by residents who were decanted and have now been able to move back onto the estate. What remains unclear is the impact of the decanting process on the pre-2004 population, or of the costs to the local authority of rehousing those people.

Benefits of approach	Limits of approach
Renovation of this kind can genuinely repurpose an estate and bring it back to life – affordable homes and a commitment to mixed use development has brought high quality housing and employment opportunities to this part of Sheffield	Reduction of overall housing stock – from 996 to 874 apartments
Provision of new employment space to support enterprise and economic growth	As the scheme has relied on a private sector lead, delays caused by the recession of 2007-08 have meant that only one of the blocks has been completed so far – while Sheffield has a waiting list of 13,000
Looming over the city, prior to investment Park Hill was dilapidated and notorious for crime – it is now considered an asset to the city, and the scheme has won a series of high profile awards.[34 35]	The viability of the scheme partly rested on the prior decanting of residents; and the impact of this process has not been measured
	Park Hill's architectural heritage makes it an outlier. It is Grade 2 listed – this has made redevelopment more costly, but has provided an opportunity to attract new buyers and investment into the estate
	Unlike many other Type 3 estates which lie in outer regions of cities, Park Hill has a prime location neighbouring the city centre. This means that lower land values are not the barrier they are to regeneration of other Type 3 estates in the North and the Midlands

Recommendations

It is clear to many observers, and has been affirmed by our analysis, that the current regeneration drive lacks the funding needed to bring benefits to all parts of the country. It is also well-established that communities must be put at the heart of the regeneration process where schemes are viable. It is crucial that these two points are addressed by the Estate Regeneration Strategy and beyond by the Government.

The Estate Regeneration Strategy should be the first part of this work – not the finishing line. There is a clear gap between what can be delivered by the Government through the Estate Regeneration Strategy in London and parts of the south east; and what it can reasonably facilitate in other parts of the country. With significant deprivation on estates in all parts of the country, this should be a key focus of the Prime Minister's Social Reform Cabinet Committee. The Strategy therefore should be seen as the starting point – of a wider strategy to connect people and places with opportunity and reduce multiple disadvantage.

The three recommendations outlined here are our suggested way ahead for policy-makers:

1. The Department for Communities and Local Government should produce best practice guidance as part of the Estate Regeneration Strategy, with a new Residents' Charter at its core.

Where regeneration schemes are viable, we have seen that they can take different forms, and different approaches can be successful. What is lacking is an understanding of best practice across all estate types. This is particularly the case when it comes to community engagement, which – as we have argued – is at the core of successful schemes.

Provision of a best practice framework, with community engagement at its heart, would help to ensure that residents are empowered in the regeneration process. The Greater London Authority should also ensure that guidance on community engagement forms a key part of its plan for a best practice guide on housing estate regeneration. There is no perfect model of engagement or consultation, but there are some key principles that all engagement should uphold.[36]

One way that this could be achieved is through a Residents' Charter containing four key principles:

I. Transparency – residents have a right to be given all relevant information on a scheme affecting their estate, upon which engagement can be based;

II. Participation – we have seen the value of direct participation in shaping schemes such as Milton Keynes and Mountearl Gardens. Local resident panels and charrettes can engage with existing tenant associations to allow people to shape regeneration in different ways, such as the formation of design codes or the prioritisation of improvements to the public realm.

III. Representation – all residents should have the ability to have a final say on a regeneration plan. This can take different forms, but it provides a strong incentive for the development of plans to keep the needs of the community at its heart.

IV. Resident advantages - regeneration should be based on the assumption that existing residents – social tenants and owner-occupiers alike – should be advantaged. This can be through the provision of improved housing conditions, receipt of the full value of property values for home owners, support into home ownership for renters, and security of tenure for social tenants through the maintenance of social tenancy agreements.

2. An Estate Endowment Fund should be established to support innovative estate-based initiatives in perpetuity.

With local authority borrowing for housing capped, and the Estate Regeneration Strategy accompanied with £140 million over 100 estates, the Government and local authorities are focused on private sector funding for schemes. The problem is the clear gap between parts of the country where high land values generate the means to deliver wider benefits to estates; and where they cannot or where delivery of new homes is not an appropriate way to meet local need. The consequence is that many places risk being left further behind. The potential gains of successfully regenerating estates around the country are significant – both for the people who live on them and for the public purse. The examples of Ladywood and Park Hill show that local authority funding can play an important role, but both schemes also relied on either social investment or gap funding. But there is a lack of rigorous data collection relating to life chances, data which social investors need to make an investment, as well as evidence on the wider success of different approaches to regeneration to spread best practice. **A good start would be to attract more social investment into estates and share best practice through a What Works Centre on estate regeneration, which could be funded by a newly created Estates Endowment Fund drawn from part of the** £140 million currently available. This would ensure the long-term legacy of the Estate Regeneration Panel's work *without requiring investment beyond that already committed.*[37]

It would do this by:

- supporting evidence and best practice sharing;[38]
- providing seed funding to attract social investment into estates around the country, and signposting applicants to existing funders.

3. The Government should explore partial VAT relief for refurbishment costs to support community-led regeneration.

Given these funding restrictions, we need to explore what other options are open to government to facilitate successful regeneration. Concerns have been raised that the forced sale of high value local authority assets is likely to act as a disincentive to local authorities engaging in regeneration in London[39]; and changes to social rents may make it harder to make schemes viable, particularly outside the south east.[40] The Government should consider what can be done to support schemes that meet the Estate Regeneration Panel's criteria through harmonisation of wider policy at the local level.

A good starting point would be a partial VAT relief on refurbishment costs. We have seen that investment in refurbishment can bring gains on some estates, such as Park Hill; and is a key part of options on the table for major schemes such as Milton Keynes. Currently, VAT is payable on the refurbishment of existing property, but not on new build social housing, which is zero rated. There are some reductions, for example, for measures to improve the energy efficiency of buildings, but on the whole the incentives work against investment in improving existing stock. This means that the tax system disincentivises investment into schemes that would improve housing conditions on estates. Addressing this is currently limited by EU legislation, but Brexit offers an opportunity for this to be looked at again. **In the long-term, the Government should explore partial VAT relief on refurbishment costs to support best practice in regeneration.** Such financial incentives could be used to encourage genuine community engagement to be put at the heart of regeneration programmes – such as schemes based on our Residents' Charter.

Endnotes

1 Prime Minister's Office (2016) "Estate regeneration: article by David Cameron" [Online]. Available at: https://www.gov.uk/government/speeches/estate-regeneration-article-by-david-cameron [Accessed 31 October 2016].

2 Savills (2016) "Completing London's Streets: How the regeneration and intensification of housing estates could increase London's supply of homes and benefit residents" [Online]. Available at: http://pdf.euro.savills.co.uk/uk/residential---other/completing-london-s-streets-080116.pdf [Accessed 31 October 2016].

3 DCLG (2016) "Heseltine launches panel of experts to kick-start estates regeneration", 9 February 2016 [Online]. Available at: https://www.gov.uk/government/news/heseltine-launches-panel-of-experts-to-kick-start-estates-regeneration [Accessed 31 October 2016].

4 Harvey, A. & Julian, C. (2015) "A Community Right to Beauty", *ResPublica*

5 HTA, Levitt Bernstein, Pollard Thomas Edwards & PRP (2016) "Altered Estates: How to reconcile competing interests in estate regeneration" [Online]. Available at http:// www.levittbernstein.co.uk/site/assets/files/2444/altered_estates_2016.pdf [Accessed 31 October 2016].

6 Power, A. (2016) "Council estates: why demolition is anything but the solution", *LSE Politics and Policy Blog*, 3 April 2016 [Online]. Available at: http://blogs.lse.ac.uk/politicsandpolicy/sink-estates-demolition [Accessed 31 October 2016].

7 Gregory, J. (2012) "In The Mix: Narrowing the gap between public and private housing", *Fabian Society* [Online]. Available at: http://www.fabians.org.uk/wp-content/uploads/2012/04/InTheMix.pdf [Accessed 31 October 2016].

8 London First & Savills (2015) "Redefining Density: Making the best use of London's land to build more and better homes" [Online]. Available at: http://londonfirst.co.uk/wp-content/uploads/2015/09/Redefining-Density-0915.pdf [Accessed 31 October 2016].

9 Lane, L. & Power, A. (2009) "Low income housing estates: a report to Hammersmith United Charities on supporting communities, preventing social exclusion and tackling need in the London Borough of Hammersmith and Fulham" [Online]. *LSE Housing and Communities.* Accessed 31 October 2016.

10 Savills (2016) "Completing London's Streets: How the regeneration and intensification of housing estates could increase London's supply of homes and benefit residents" [Online]. Available at: http://pdf.euro.savills.co.uk/uk/residential---other/completing-london-s-streets-080116.pdf [Accessed 31 October 2016].

11 Hanna, K., Oduwaiye, A. & Redman, P. (2016) "Another Story: The real potential for estate densification", *Centre for London* [Online]. Available at: http://www.centreforlondon.org/wp-content/uploads/2016/09/Final-Report.pdf [Accessed 31 October 2016].

12 DCLG (2010) "The New Deal for Communities Experience: A Final Assessment" [Online]. Available at: http://extra.shu.ac.uk/ndc/downloads/general/A%20final%20assessment.pdf [Accessed 31 October 2016].

13 Gibb, K., Stephens, M., Reuschke, D., Wright, S., Besemer, K. & Sosenko, F. (2016) "How does housing affect work incentives for people in poverty?" [Online]. Joseph Rowntree Foundation. Available at: https://www.jrf.org.uk/report/how-does-housing-affect-work-incentives-people-poverty [Accessed 31 October 2016].

14 Joseph Rowntree Foundation (2016) "Estate Regeneration: Briefing for expert panel" [Online]. Available at: https://www.jrf.org.uk/file/49123/download?token=GNM3vzxY&filetype=briefing [Accessed 31 October 2016].

15 The 12 estates used in this analysis were: Wren's Nest, Dudley; Lincoln Green, Leeds; Brinnington and Adswood, Stockport; Hattersley, Tameside; Holme Wood, Bradford; Pool Farm, Birmingham; Coal Pool, Walsall; Victoria Estate, Stockton-on-Tees; Grange Park, Blackpool; Gwavas, Cornwall; Bentilee, Stoke-on-Trent. On each of these estates, unemployment levels are above their local authority average. We calculated the financial implications of raising employment outcomes on these estates to bring them into line with the local authority levels. The savings in Jobseeker's Allowance, and the revenue (Income Tax and National Insurance) uplifts, were calculated to 2030. The total financial impact was estimated at £139,948,870.87.

16 DCLG – we have used lower quartile house prices and incomes here.

17 Harvey, A. & Julian, C. (2015) "A Community Right to Beauty", *ResPublica*

18 Joseph Rowntree Foundation (2016) "Estate Regeneration: Briefing for expert panel" [Online]. Available at: https://www.jrf.org.uk/file/49123/download?token=GNM3vzxY&filetype=briefing [Accessed 31 October 2016].

19 Power, A. (2016) "Council estates: why demolition is anything but the solution", LSE Politics and Policy Blog, 3 April 2016 [Online]. Available at: http://blogs.lse.ac.uk/politicsandpolicy/sink-estates-demolition [Accessed 31 October 2016].

20 HTA, Levitt Bernstein, Pollard Thomas Edwards & PRP (2015) *Super Density: The sequel* [Online]. Available at www.pollardthomasedwards.co.uk/download/SUPERDENSITY_2015_download.pdf [Accessed 31 October 2016].

21 Rae, A., Hamilton, R., Crisp, R. & Powell, R. (2016) *Overcoming deprivation and disconnection in UK cities* [Online]. Available at: https://www.jrf.org.uk/file/49432/download?token=ug9kI8JY&filetype=full-report [Accessed 31 October 2016].

22 DCLG (2010) *The New Deal for Communities Experience: A Final* Assessment [Online]. Available at: http://extra.shu.ac.uk/ndc/downloads/general/A%20final%20assessment.pdf [Accessed 31 October 2016].

23 Duggan, C., Julian, C. & Sagar, R. (2015) *Out of the Cold*, *ResPublica*

24 Harvey, A. & Julian, C. (2015) *A Community Right to Beauty*, *ResPublica*

25 Lambeth Council (2016) "Focus on: Pocket Living" [Online]. Available at: http://estateregeneration.lambeth.gov.uk/focus_on_pocket_living [Accessed 31 October 2016].

26 These figures have been derived from simple calculations, based on ONS data, on the difference between unemployment levels and health outcomes on estates, and outcomes in the local authority area as a whole. They demonstrate the *potential* benefits to *existing residents* of regeneration that brings outcomes on estates in line with the area average, and do not account for population changes and other factors.

27 CEBR (2016) *City Growth Tracker: Outlook for the UK's economy in 2016* [Online]. Available at http://www.irwinmitchell.com/medialibrary/files/UK%20Powerhouse%20A5%20Mini%20Report%20email.pdf [Accessed 31 October 2016].

28 These figures have been derived from simple calculations, based on ONS data, on the difference between unemployment levels and health outcomes on estates, and outcomes in the local authority area as a whole. They demonstrate the *potential* benefits to *existing residents* of regeneration that brings outcomes on estates in line with the area average, and do not account for population changes and other factors.

29 YourMK (2016) "Find out about regeneration" [Online]. Available at: http://www.yourmk.co.uk/your-neighbourhood/find-out-about-regeneration/ [Accessed 31 October 2016].

30 Rae, A., Hamilton, R., Crisp, R. & Powell, R. (2016) *Overcoming deprivation and disconnection in UK cities* [Online]. Available at: https://www.jrf.org.uk/file/49432/download?token=ug9kl8JY&filetype=full-report [Accessed 31 October 2016].

31 These figures have been derived from simple calculations on the difference between unemployment levels and health outcomes on estates, and outcomes in the local authority area as a whole. They demonstrate the *potential* benefits to *existing residents* of regeneration that brings outcomes on estates in line with the area average, and do not account for population changes and other factors.

32 Town Digital Hub (2016) "WellBrum" [Online]. Available at: https://towndigitalhub.net/wellplanet/wellbrit/wellbrum/inner.htm [Accessed 31 October 2016].

33 Inside Housing (2013) "Uphill struggle", 19 July 2013 [Online]. Available at: http://www.insidehousing.co.uk/uphill-struggle/6527823.article [Accessed 31 October 2016].

34 Platt, E. (2012) "Multi-million-pound makeover for Sheffield's notorious Park Hill estate", 21 September 2012, Telegraph [Online]. Available at: http://www.telegraph.co.uk/culture/art/architecture/9551327/Multi-million-pound-makeover-for-Sheffields-notorious-Park-Hill-estate.html [Accessed 31 October *2016]*.

35 Woodman, N. (2013) "Park Hill wins three RIBA awards", 7 February 2013, Hawkins Brown [Online]. Available at: http://www.hawkinsbrown.com/news-and-events/news/park-hill-wins-three-riba-awards [Accessed 31 *October 2016]*.

36 Housing Committee, London Assembly (2015) *Knock it down or do it up? The challenge of estate regeneration* [Online]. Available at https://www.london.gov.uk/sites/default/files/gla_migrate_files_destination/KnockItDownOrDoItUp_0.pdf [Accessed 31 October 2016].

37 This would be similar to the Education Endowment Fund, which funds, summarises and disseminates evidence to improve educational outcomes around the country – see https://educationendowmentfoundation.org.uk/.

38 This could be used to inform the best practice guidance that we recommend DCLG issue above; and has the potential to support development of new forms of finance such as earnback mechanisms that could support improvements to places over the long-term.

39 Burroughs, L. (2016) "Estate Regeneration", *London Councils* [Online]. Available at: http://www.londoncouncils.gov.uk/node/29833 [Accessed 31 October 2016].

40 Joseph Rowntree Foundation (2016) "Estate Regeneration: Briefing for expert panel" [Online]. Available at: https://www.jrf.org.uk/file/49123/download?token=GNM3vzxY&filetype=briefing [Accessed 31 October 2016].

ResPublica

society · prosperity · virtue

Society

The UK has one of the most centralised states in the developed world and one of the most disaffected and politically passive populations in Europe. We hold our leaders in contempt, but despair of doing anything for ourselves or our community. The dysfunction at the highest level of society stems from the collapse of our social and personal foundation. There is little doubt that we are becoming an increasingly fragmented and individualist society and this has deep and damaging consequences for our families, our communities and our nation state.

Starting from the bottom up, the collapse of the extended family and the ongoing break-up of its nuclear foundation impacts on all, but disproportionally so on the poor and on their offspring. Too many children at the bottom of our society are effectively un-parented as too much is carried by lone parents who are trying to do more and more with less and less. We know that the poorer you are, the less connected with your wider society you tend to be. Lacking in both bridging and bonding capital and bereft of the institutions and structures that could help them, too many poorer families and communities are facing seemingly insurmountable problems alone, unadvised and without proper aid.

Based on the principle of subsidiarity, we believe that power should be devolved to the lowest appropriate level. Public services and neighbourhoods should be governed and shaped from the 'bottom up', by families and the communities. These neighbourhoods need to be served by a range of providers that incorporate and empower communities. Moving away from a top-down siloed approach to service delivery, such activity should be driven by a holistic vision, which integrates need in order to ascertain and address the most consequent factors that limit and prevent human flourishing. Local and social value must play a central role in meeting the growing, complex and unaddressed needs of communities across the UK.

The needs of the bottom should shape provision and decision at the top. To deliver on this, we need a renewal and reform of our major governing institutions. We need acknowledgement of the fact that the state is not an end in itself, but only one means by which to achieve a greater end: a flourishing society. Civil society and intermediary institutions, such as schools, faith groups and businesses, are also crucial means to achieving this outcome. We also need new purpose and new vision to create new institutions which restore the organic and shared society that has served Britain so well over the centuries.

SOCIETY SOCIETY SOCIETY SOCIETY

In this paper, we make the case for putting communities at the heart of estate regeneration to maximise its potential for delivering new housing and boosting life chances around the country. That means giving communities power over regeneration schemes where they are planned, and unlocking new opportunities for funding schemes where they are needed but are currently not possible.