



Where should housing policy go next?

An asset-based framework

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About the Author

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Liz has been involved in research since 1994. Her work is aimed at understanding policy interventions in and with disadvantaged neighbourhoods and groups. She has worked hands-on with residents, young people and practitioners on neighbourhood, housing and urban design problems, linked to community-focused solutions. She has worked with professionals, residents and policy makers to develop solutions to policy and practice challenges.

Her work includes reports for the Housing Corporation, the Social Exclusion Unit (SEU), the Neighbourhood Renewal Unit (NRU), the Office of the Deputy Prime Minister (ODPM), the Thames Gateway London Partnership, and the Department for Communities and Local Government (DCLG). She has taught postgraduate courses in management studies, and housing and urban policy.

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Foreword

I am pleased to be able to introduce this NLGN pamphlet on the next steps in housing policy. As a constituency MP and as Chair of the DCLG Select Committee I know how important it is that we deliver more and better housing to ensure everyone has access to a home of their own. DCLG is taking forward an ambitious policy agenda to ensure everyone has the opportunity to live in decent, affordable housing. Much has been achieved through the Sustainable Communities Plan in terms of making home ownership accessible to more people, improving social housing stock and increasing the proportion of development taking place on brownfield land. While we should celebrate the good work of all the partners involved in delivering the Plan, we must also recognise that meeting peoples aspirations requires a long-term commitment. The task of meeting the many housing challenges the government faces is enormous and needs innovative approaches, so I very much welcome NLGN's timely contribution to the debate.

Liz Richardson's asset-based framework rightly places communities at the heart of the planning process. Efficient use of available land, whether for new development or regeneration will be critical to addressing current and future housing needs. Renovation and infill, for example, will play a key role in boosting the housing capacity of urban areas. Sustainability must be the guiding principle behind all our efforts and that means making best use of what we already have. Liz Richardson argues that existing homes and neighbourhoods, supported by their local infrastructure, represent high-value, irreplaceable assets. We should therefore build on them, not around them, valuing and consulting residents and local stakeholders, rather than seeking to override their concerns and opinions.

Local government must take a leading role if we are to generate solutions that blend new and old buildings to create sustainable mixed communities in which people want to live. Liz Richardson calls on local authorities to engage in 'educative conversations' with residents to agree design principles and to be active in stimulating development in line with a local strategic vision. Such strategic leadership will be critical to the realisation of local government's new 'place-shaping' remit outlined in the recent White Paper, *Strong and prosperous communities*.

Giving people a greater say on the issues that affect their lives should be a priority for all of us involved in public policy. This pamphlet makes a strong case for problem-solving dialogue with residents, whose natural

concern for their local environment can act as a positive pressure on development. Residents are right to demand that housing schemes benefit the existing community, helping to create viable, desirable places to live for both current and future residents. Residents should not only be seen as interested contributors to local housing debates; they can also engage critically with the decision-making process. Liz Richardson argues that residents are able to prioritise their housing preferences and understand the trade-offs that are required in order to create additional homes while taking into account affordability, environmental and other issues. The ranking of issues that emerges from this process brings a valuable consumer-led element to the planning. Explaining and discussing the constraints and challenges involved can also change people's attitudes to potentially contentious questions such as housing density. We should accept her challenge to prove to residents – through meaningful, mature dialogue – that schemes address local needs and concerns.

We should not forget that legitimate needs and concerns involve not only the design and construction of the development itself but also how it is managed once settled. The current business model sees the developer exit the process as soon as building is complete; Liz Richardson is right to highlight the need for longer-term funding and management strategies if we are to make these communities work. We must bring together landowners, local authorities and residents in new partnership models with a strategic remit to promote sustainability.

Choice and flexibility are at the heart of sustainability. Offering a blend of tenures and sizes within a development is an important consideration and I welcome this pamphlet's discussion of the role of Choice-Based Letting (CBL) in creating stable, mixed communities that attract and retain residents. CBL has its place as part of a menu of products that aim to expand tenure 'choice and mix', including equity shares for social tenants.

I hope that this pamphlet stimulates further discussion and debate on housing policy. It is a pressing issue, central to economic development, public health, community cohesion and social justice. It is also, critically, about modern democracy. It's about devolving to a level at which citizens can be engaged in the decision-making process, as agents of change rather than as a distant source of political mandate. It is this engagement that can help to drive improvement in local public services, making a difference to people's lives in real and immediate ways.

Phyllis Starkey MP, Chair, Communities and Local Government Select Committee

Introduction and Overview

In this paper we look at the question - where should UK housing policy go next? We start with a brief outline of what has been achieved through policy to date under New Labour. We then explore what challenges still remain to be resolved. The paper goes on to propose a new shape and direction for future policy that views existing communities and existing neighbourhoods as assets.

Government policy now accepts the urgent need for new housing to meet a backlog of demand. However, several years after major policy statements about new and existing housing supply there continues to be serious concerns that we will not achieve truly sustainable communities. The current programme of building is likely to unfold over the next twenty to thirty years, and those homes are likely to be in use for at least fifty years. This is a long-term commitment taking us to the next century, and we must get it right from the outset.

Central government policy and centrally set standards are crucial to create the context for the generation of sustainable communities. But the actual delivery of new and upgraded homes happens locally. Local debates about how residential and mixed use development moves forward will determine what our housing futures look like. We explore the role of local authorities as housing enablers, as strategic planning authorities and as place shapers in our recommendations. We look at the ways that local government can shape the housing agenda through dialogue with local residents and politicians.

We advocate an asset-based framework for creating places. Treating existing communities as an asset would imply working with, not around, existing communities. Our framework argues for structures and policies that allow more local and more creative solutions to spring up around the country. We propose:

- Using existing physical assets – land and existing housing - with care by maximising

the use of renovation and infill

- Using existing human assets with care through problem solving dialogue with existing residents
- New roles for local authorities as strategic bodies that both understand and shape their residents' aspirations in order to create new assets
- Better management of neighbourhoods

Policy background and progress to date

Prior to the first New Labour administration housing issues had fallen off the political agenda, with some prophesying the end of housing policy. New Labour has pushed the housing agenda once again, particularly from 2000.¹ This started with a steady but narrow focus on upgrading existing housing to a 'decent' standard.² Many of the physical improvements were done through transferring council housing stock to new landlords or arms-length management organisations. Tenants had to give their consent to the changes through a majority ballot. The vigorous emphasis in the second New Labour term on transfer of ownership and/or management of housing stock to new housing organisations did offer significant opportunities for refinancing housing for refurbishment and maintenance and for developing new models

of management like neighbourhood management.³ The 2000 Housing Green Paper target was for up to 200,000 homes a year to be transferred from local authority ownership to other social landlords carried through in the stock transfer funding programmes in following years.⁴ This was nearly four times the previous rate of transfer, and this ambitious target was not achieved. But the transfer programme reached many hundreds of thousands of social housing residents. Until the end of the Government funding programme in 2006, over 725,500 homes in just under 250 English local authorities were transferred.⁵ Arms-Length Management Organisations (ALMOs) have also provided room for refinancing, better management and more active customer control, without transfer of ownership.

Both ALMOs and transfer need the consent of tenants to go ahead. Published results indicate positive outcomes from transfer on tenant satisfaction, physical improvements to homes, neighbourhood investment and credibility of service providers.⁶ Housing condition in the social sector is no longer such a pressing issue, although many stock transfer associations and ALMOs are still trying to find ways to upgrade the environment around the homes they manage beyond the relatively low government decent homes standard.

1 Duncan MacLennan (2005) *Housing Policies: New Times, New Foundations* York: JRF

2 Department of the Environment, Transport and the Regions (DETR) (2000) *Quality and Choice: A Decent Home for All* London: HMSO

3 Office of the Deputy Prime Minister (ODPM) (2003) *Housing Transfer: Removing barriers in the transfers process* London: ODPM; Anne Power and Emmet Bergin (1999) *Neighbourhood Management CASE Paper 31* London: LSE

4 DETR, 2000 op cit

5 ODPM (2005a) *Housing Statistics 2005* London: TSO; Department of Communities and Local Government (DCLG) (2006a) *From Decent Homes to Sustainable Communities: A discussion paper* London: DCLG

6 National Housing Federation (NHF) (2003) *Stock Transfer – the facts* London: NHF

There has been a welcome emphasis in policy on the management of low-income neighbourhoods more broadly. Many improvements have been made, although deprived areas are still too far behind, and some estates remain problematic.⁷ A combination of market pressures and government policy has been a driver for enhanced quality of customer service in the social sector, and bold initiatives to introduce consumer choice, for example in the allocation of housing, have had some success.

There has been a positive story to tell about improved services and a new landscape in social rented housing. But this has been overshadowed by more far-reaching problems. We face severe challenges to resolve the twin problems of oversupply of housing in some areas of the north and intense pressures for additional supply in London and South East.⁸

The 2000 Housing Green Paper quite rightly focused on how to upgrade the housing stock we already had, but made no mention of whether we had enough homes.⁹ However, after the Green Paper, attention quickly started to turn to the steep decline in house building. This was primarily caused by a fall-off in the construction of council houses from the 1970s. Neither the private nor the housing association sectors had compensated for this fall in public sector building. The cumulative effect on the number of new homes being

built was drastic. Once the decent homes programme was underway, there was scope for a fresh examination of house-building levels. And before long, the issue of housing 'numbers' was on the table once again.

The Government turned its attention to housing over- and under-supply late in its second term with the publication of the Sustainable Communities Plan and the Barker review of housing supply.¹⁰ The idea of a 'step change' in growth, quality, design, construction techniques and energy efficiency has been welcomed.¹¹ In the New Labour third term there has been a more serious look at the broader issues across tenures. The stock transfer programme has now run its course and emphasis has shifted to a mixed communities agenda.¹² The Government is undertaking a fundamental review of social housing in 2006, which goes beyond a focus on physical upgrading and transfer of ownership to ask what social housing should be and for whom. There are now a small number of pilot projects to create a stronger mix of tenures in disadvantaged areas.

There is a growing consensus that mixed communities in both existing and new housing will create more viable neighbourhoods, reduce polarisation and segregation and better meet people's housing aspirations. Alongside this is the need to soften the harsh lines between housing tenures to allow for more upward and geographical mobility.

7 Rebecca Tunstall and Alice Coulter (2006) *Twenty five years on twenty estates* Bristol: The Policy Press

8 ODPM (2003) *Sustainable Communities: Building for the future* London: ODPM

9 DETR, 2000 op cit

10 ODPM, 2003 op cit; Kate Barker (2004) *Review of Housing Supply Delivering Stability: Securing our Future Housing Needs* London: HMSO

11 ODPM, 2003 op cit

12 DCLG, 2006a op cit

There is core agreement that housing supply needs to be increased overall. Projections vary, but the current Government target is for 200,000 additional homes per year by 2016, about 40,000 more than the current annual building rate.¹³ Changing housing supply and creating more sustainable communities is a task that has a long time frame, with initial timescales up to 2016, but given backlogs and capacity constraints, a more realistic horizon would be 2020-2030.¹⁴

Outstanding challenges for new and existing homes

So, Government policy now accepts the urgent need for new housing to meet a backlog of demand. However, four years after the publication of the Sustainable Communities Plan, and three years since the publication of the Barker review of housing supply, there continues to be considerable disquiet about the nature, quality, connectedness and affordability of new homes being built or planned. What are the worries about new and existing supply?

There is intense pressure to increase the rate at which new homes are created, but not at any price. Infrastructure will need to be put in place to make new housing viable, but so far a multi-million pound investment boost through the Community Infrastructure Fund (as recommended by the Barker review) has not allayed fears fully.

¹³ House of Commons ODPM: Housing, Planning, Local Government and the Regions Committee (2006) *Affordability and the Supply of Housing Third Report of Session 2005–06 Volume I* London: TSO

¹⁴ Anne Power, Liz Richardson et al (2004) *A Framework For Housing In The London Thames Gateway Volume I* London: LSE Housing and Enterprise LSE Cities

There are worries that new housing will not be well integrated into existing settlements. There are many other concerns about new housing, including the new homes which replace empty housing in areas of lower demand. These concerns include that:

- we will not meet high enough environmental standards for new and existing housing to ensure 'one planet living';¹⁵
- the design of new homes and neighbourhoods will be unimaginative;
- lower-income groups will be priced out;
- existing assets, heritage and landmarks will be underused or destroyed;
- existing communities will miss out on the benefits;
- existing communities will object to new development
- there are not enough incentives to reinvest in existing stock.

Two large scale developments in the south east illustrate some of the issues:

“Just now the appeal of Barking Reach or Ebbsfleet is extremely limited because of the lack of ‘atmosphere’, their harsh, undifferentiated environments and their sheer scale. One – already started – looks like endless semi-detached, modern boxes,

¹⁵ World Wildlife Fund UK (WWF-UK) (2005) *Investing In Sustainability: Progress And Performance Among The UK's Listed House-Builders – Revisited Surrey*: WWF; Jane Durney and Pooran Desai (2004) *Enabling One Planet Living In The Thames Gateway Surrey*: Bioregional Development Group

the other – still on the drawing board – a brutalist concrete jungle. Neither is well connected, environmentally sensitive or blended into its surrounding.”¹⁶

More recent and more sensitive masterplanning at Barking Reach may mean these criticisms are now out-of-date. However, this is not an isolated example, with many other new developments also coming in for criticism. For example, design professionals and residents in volume house builder schemes across the north of England judged that the overwhelming majority of new housing schemes were no better than ‘average’ quality and lacked ‘a real sense of character and identity’.¹⁷

The problem is not just about how new housing looks. A key issue is that some new housing is not linked to the places where people already live. The danger of this lack of connection is that new housing then draws investment away from existing housing, rather than adding to what is already there. For example, in Barking Reach, one of the first things that happened was that one of the few buses serving the nearest council housing estate was diverted away from the estate to the new development.

Similarly, if the focus is purely on the new at the expense of the old, then new homes may

end up simply replacing units that fall into disrepair rather than adding to our overall housing capacity. Existing stock represents around 99 per cent of the total building stock at any one time and it is estimated that at least 70-75 per cent of the current stock will still be being lived in at 2050.¹⁸ The implication is that we collectively need to look after what we already have as well as create new homes and neighbourhoods.

Within general worries about the quality and connectedness of new with existing supply, there are many implementation problems on the road to mixed communities. One of these is about the potential for genuine integration between income groups and tenures in engineered mixed areas. There is now an urban myth around mixed tenure developments, that they have towering brick walls between private and social homes to keep the poorer families out of owner-occupied areas. But even without a physical wall, the myth illustrates other symbolic ‘walls’ of culture, perception and income, which can hinder integration in mixed developments. Another challenge in the creation of mixed communities is to help more people into owner-occupation, the aim being to have a range of people on different incomes who have bought their own homes. Attempts to offer low cost routes into home ownership have not fared well to date. Access to schemes has not been easy, with bureaucratic systems and heavily restrictions on who is eligible. Low cost home ownership schemes have been confusing to the potential buyer,

16 Anne Power, Liz Richardson et al, 2004 op cit

17 Commission for Architecture and the Built Environment (CABE) (2005a) *What it's like to live there: the views of residents on the design of new housing* London: CABE; CABE (2005b) *Housing audit: Assessing the design quality of new homes in the North East, North West and Yorkshire & Humber* London: CABE

18 Sustainable Development Commission (SDC) (2006) *'Stock Take': Delivering improvements in existing housing* London: SDC

not widely enough marketed, with poor financial incentives. As a consequence, the schemes have had low take-up.¹⁹

Tenure mix is not just difficult to put in place at the beginning of a development, it is also extremely hard to maintain as a development matures and homes change hands, sometimes in directions not intended when the development was conceived.²⁰ The booming buy-to-let market in new developments has led in some cases to a set of displaced problems such as overcrowding and anti-social behaviour in the private sector and fears about de-gentrification.

There is widespread agreement that we'd like to see sustainable communities in the general sense, impassioned debates over urban versus suburban living notwithstanding,²¹ but there is a clear chorus of concern about the quality and nature of new housing supply, and our approaches to existing residential areas. The messages are repetitively similar .

19 Keith Cooper (2006) 'Key public sector workers snub new build scheme' 14 April 2006 *Inside Housing*;
Inside Housing (2006) 'Labour conference hears critics of ownership drive' 29 September 2006 *Inside Housing*

20 Rob Rowlands, Alan Murie and Andrew Tice (2006) *More than tenure mix: Developer and purchaser attitudes to new housing estates* Coventry: Chartered Institute of Housing (for the Joseph Rowntree Foundation)

21 "Sustainable Communities meet the diverse needs of existing and future residents, their children and other users, contribute to a high quality of life and provide opportunity and choice. They achieve this in ways that make effective use of natural resources, enhance the environment, promote social cohesion and inclusion and strengthen economic prosperity." From ODPM (2004) *The Egan Review – Skills for Sustainable Communities* London: RIBA. The Government's definition of a sustainable community can be found at <http://communities.gov.uk/index.asp?id=1139866>. The Academy for Sustainable Communities definition can be found at <http://www.ascskills.org.uk/pages/sustainable-communities>. For more discussion see Anne Power (2004) *Sustainable Communities and Sustainable Development: a review of the sustainable communities plan* London: SDC

In summary, at a strategic level there are two competing impulses. On the one hand we want to see a step change in supply, deliver as many new homes as quickly as possible and see excessive prices fall. On the other, we mustn't rush ahead until we are reassured that new supply will deliver on quality and not waste this one-shot opportunity.

People's fears do not appear to have been assuaged yet. This is despite reams of Government policy and guidance that seems to be heading in the right direction. So why is it that people do not believe the hype? One core reason is that policy does not match up with what people can see happening on the ground. An ex-head of one of the London Thames Gateway bodies has said: "I think we do know the elements of a sustainable community...but we're finding it hellishly difficult to put the elements together."²²

So, at a national level the way forward is far from clear. But as we have stated, the actual delivery of new and improved housing takes place at a local level. In the next section, we look at current debates and progress on creating sustainable communities in the localities, and find that there are lively debates happening at a local level as well, which may offer some clues as to a way forward.

Local responses

We now turn our attention away from central government policy and debates at a national level, and towards another crucial group of players: local residents and politicians.

22 Transcript of RIBA/Homes and Property Debate held RIBA, London 19th June 2006 *Sustainable suburbia – where do people want to live?*

What has been the local response to central pronouncements on sustainable communities? So far, people locally are not fully on board with the government agenda. There has been strong resistance in many areas both to the development of new housing as well as to the demolition and replacement of existing housing. This has been seen as part of the problem, with resistance dismissed as narrow self-interest.

However, we show below that this opposition is potentially positive, and supportive of the collective interest. Local worries are an expression of the two competing sets of desires we see at a strategic and national level, that is, to increase and restructure supply while making sure we get it right for the next 100+ years.

Opposition could instead be seen as an interest in protecting existing assets, buildings, neighbourhoods and communities, and infrastructures. Local disputes over development are an asset in themselves, as they offer a form of regulation of new supply by citizens, adding to our ability to demonstrate schemes will meet sustainable standards.

Opposition to development is well documented. For example, 51 per cent of councillors on planning committees in the South East said new housing proposals for higher density housing were likely to be jeopardised because of opposition from local residents: “The biggest problem is local opposition and general hostility to

developers”.²³ Over in the South West, NIMBYism from both residents and local politicians is seen as a barrier to economic growth: “There is a danger that unthinking opposition to [new affordable] housing could result in people destroying the communities they believe they are protecting”.²⁴ Land supply constraints on the production of new homes as dictated by the planning system have been reviewed by Government²⁵ but

“widespread and vociferous opposition” from the comfortably housed and their elected representatives has been identified as the underlying problem.²⁶

In the housing market renewal areas there have been strong objections from residents, politicians, conservationists, MPs and design professionals to demolition plans.²⁷

23 Urban and Economic Development Group (URBED) (2004) *Attitudes to Higher Density Developments in the South East* London: URBED

24 Yew Tree Projects (2005) *South West Housing Initiative: report on the South West Housing Conference held at Bristol on 23rd February 2005* Bristol: South West Housing Initiative

25 For example the Barker review (Kate Barker, 2004 op cit), or DCLG (2006b) *Consultation on Planning Policy Statement 3-Housing (PPS3) A summary of responses and key issues* London: DCLG

26 Richard Best (2003) ‘Tackling disadvantage: Housing More shortages and homelessness?’ in David Darton and Jason Strelitz (Eds) *Tackling UK Poverty and Disadvantage in the twenty-first century An exploration of the issues* York: JRF

27 BBC News Thursday, 16 February 2006, *MP attacks house demolition plans* <http://news.bbc.co.uk/1/hi/eng-land/merseyside/4721370.stm>; Town and Country Planning Association (TCPA) (2006) *Housing Market Renewal Policy Statement* London: TCPA; JRF (2006) *Addressing housing affordability, clearance and relocation issues in the Housing Market Renewal Pathfinders Findings 1931* York: JRF; Helen Beck (2005) *Report of the Demolition and Renewal Workshop at Trafford Hall, home of the National Communities Resource Centre, 27th July 2005* London: LSE Housing; Matt Weaver (2005) ‘MPs to scrutinise government’s ‘barmy’ housing strategy’ Friday October 21, 2005 *The Guardian*; Matt Weaver (2005) ‘Market renewal homes sent back to the drawing board’ Thursday August 18, 2005 *The Guardian*; Ben Willis (2005) ‘Homes plan ‘could become demolition programme’ Tuesday April 5, 2005 *The Guardian*

These have led to demolition programmes being halted in some cases and high court battles in others.²⁸ Objections to new or additional housing in high-demand areas are often dismissed as being based on narrow self-interest. Groups campaigning against demolition have been cast as the 'bad guys' stopping other residents from accessing new homes.²⁹ Some have been dismissed as interlopers making false or romanticised claims about the positive value of communities and heritage. Residents lobbying against housing market renewal plans are seen as simply interested in their own compensation packages – the housing abandonment version of NIMBYism.

The reality in neighbourhoods is different. Listening to residents offers many clues to the issues and solutions. It emerges that local objections are based on concerns shared by commentators and policy makers at a strategic level, including:

- provision of adequate infrastructure, services and facilities
- whether existing low-income residents will benefit, and how equitable the distribution of benefits will be
- affordability of housing
- if social networks and social supports will be damaged
- if areas will have or retain a sense of place and identity³⁰

Research into residents' attitudes to housing density indicates that residents have genuine concerns on substantive issues: adequate provision of public services and facilities; protection of the public realm; impact on traffic and parking. Objections are partly based on people's experience of the problems we discussed earlier. They are not convinced that giving the go-ahead will lead to good sustainable communities.

Residents in deprived areas in growth areas in east London were worried about the capacity of public services and infrastructure to cope with new demand. Additional demand on already over stretched public services is potentially damaging to those who rely on them the most. Without plans for significant extra public facilities and services new housing growth would be a regressive move for people in poor areas. Both low-income residents and public sector professionals in east London have expressed a belief that the numerous short and long-term benefits of development will bypass existing residents.³¹ If we want to see better outcomes for those at the bottom of the market and avoid ghettoisation of poor and vulnerable people then these serious considerations must be taken into account in the growth areas.

Concerns are not confined to the growth areas of the south, with similar issues being raised by residents of Northern housing market renewal areas. For example, people are asking how demolition plans will contribute

28 BBC News Wednesday, 16 August 2006 **Council 'wrong' to demolish homes**
<http://news.bbc.co.uk/1/hi/england/lancashire/4798143.stm>

29 Helen Beck, 2005 op cit

30 CABE, 2005a op cit; Helen Beck, 2005 op cit

31 Jim Bennett with David Hetherington, Max Nathan and Chris Urwin (2006) *Would You Live Here? Making the Growth Areas communities of choice* London: IPPR; Anne Power, Liz Richardson et al, 2004 op cit

to the creation of desirable and sustainable places. As residents have pointed out, the homes in the neighbourhoods are already affordable on the private market, and there has been an estimated “affordability gap” of £35,000 between the compensation value of demolished homes and the cost of buying a suitable alternative.³² Residents also object to the loss of neighbourhood assets that are destroyed along with older housing, so-called community anchors: schools, open spaces, health care services and shopping centres. People object to the destruction of historic environments, local heritage and distinctiveness. This is not a sentimental obsession with old buildings for their own sake; historic buildings create a sense of place. Furthermore, groups crucial to mixed communities, including black and minority ethnic communities, are reluctant to lose their social networks and sense of attachment to place through re-location, fearing social isolation in new areas.³³

A new shape for future policy? Towards an asset-based framework

We can see from all the concerns, objections and worries described so far in this paper that the current ‘big bang, big brother’ approach is a high-risk one if we want to deliver viable, desirable places. Overall, it will not deliver the sorts of places we want to see. What might an

alternative approach look and feel like?

The growth areas and housing markets in need of re-structuring in the north share striking similarities in their needs and assets with each other. Despite the relative wealth and income advantages of the south east overall, it has always been clear that the spread of prosperity and of rising living standards is uneven. For example, there are neighbourhoods in every London borough in urgent need of upgrading and bringing more in line with the rest. Work on the Thames Gateway has concluded that the poorest parts of east London that sit in the chosen growth area are more akin to the declining industrial areas in the north and faced similar barriers to re-growth, including large areas of abandoned land and buildings, the legacy of its industrial past.³⁴ There are existing communities in nearly all places where development or renewal happens; schemes need to bring clear benefit to current as well as prospective residents by integrating old and new.

Our starting point is to treat the available land and the local environment as high-value irreplaceable assets not to be squandered, using land with care at urban densities and protecting environmental resources. Ecological principles such as those outlined by the World Wildlife Fund and BioRegional in One Planet Living are no longer marginal concerns.³⁵ Sustainability is as crucial and beneficial for the depleted communities and neighbourhoods in housing market renewal areas in the north as it is in the overcrowded South East.

³² JRF (2006) *Addressing housing affordability, clearance and relocation issues in the Housing Market Renewal Pathfinders Findings* 1931 York: JRF

³³ JRF (2006) *Addressing housing affordability, clearance and relocation issues in the Housing Market Renewal Pathfinders Findings* 1931 York: JRF

³⁴ Anne Power, Liz Richardson et al, 2004 op cit

³⁵ For more information see www.oneplanetliving.org

There are several factors pushing us towards more efficient use of land in the UK. Our tight land supply is well documented. We now have a growing population and shrinking household size. Our increased demands for living space and amenities intensify the pressure on land. Added to these changes in demographics and consumer demands, there are clear urban and social drivers for using land in existing towns and cities. These include the need to increase the density of housing in the northern cities. The prospects for this are improving, with investors attracted by the fast recovery in weak housing markets seen recently and by the untapped land capacity in older cities. Politically, there are good reasons to want to use land more economically, not least because of strong opposition to demolition and clearance of existing housing. All of this means we need alternatives to clearance and building on the outer edges of towns and cities. Everything leads to the conclusion that we should renovate and infill wherever possible.

Simple environmental principles are recycle and re-use. We could apply these to the way we develop housing. We would argue that development starts by working out from our towns and cities, expanding within existing centres and settlements. Development should add to what is already there, build on existing infrastructure and blend with existing homes and neighbourhoods. There are sites within existing communities for new construction that are a viable alternative to new designated growth areas. We need to maximise our use of infill sites and conversions and renovate and modernise existing homes.

If we treat existing communities as an asset, it means working with, not around, existing communities. It means structures and policies that allow more local and more creative solutions to spring up around the country. By valuing natural, physical and social assets we can create higher value places where people will want to live.

The consequences of this asset-based approach would be to make it more likely that:

- what is added is well connected;
- existing infrastructure will be enhanced;
- existing communities and settlements will benefit;
- there will be incentives to reinvest the existing stock;
- the new will blend with the old - both people and buildings;
- places will have a strong sense of identity.

A gentle or a tough approach?

An asset-based framework using environmental principles has the goal of creating more organic forms of development. However, to get to this goal is extremely difficult, and perversely, may not be achieved using an organic approach. The drivers, for example in the growth areas, push heavily towards mass production by volume builders on greenfield sites. Indeed, the volume building industry has been compared to the car industry of the 1970s with its focus on mass production and mass production

methods. Both industries have had little differentiation between products and little understanding of what people want to buy. Mass-production principles are a major barrier to achieving an asset-based approach.

Council housing departments in the past have regarded big numbers and large developments as important and attractive for public managers, in lieu of direct control of big budgets as in education and social services. A similar argument has been thrown at chiefs of the developing housing associations, i.e. that a macho culture leads to competition over the size of a chief executive's portfolio. While these points are usually made to give some light relief in the debate, they go some way to indicating the wide range of factors militating against achieving an asset-based framework. For example, housing association outputs are measured in terms of numbers of new units, which encourages volume production at any cost.

Going for infill, conversion and modernisation at higher densities is not the easiest route, and holding to this asset-based approach requires a tough line. Therefore the instruments we propose below to achieving the goals are a mix of persuasion and force.

If an asset-based approach were translated into asset management decision-making, then we may have to come to some very different hard-headed conclusions about the economic feasibility of different housing options.

How can we go forward? A framework for creating places

Based on this asset-based approach, we now put forward four sets of recommendations for future housing policy:

- Using existing physical assets – land and existing housing - with care by maximising the use of renovation and infill
- Using existing human assets with care through problem solving dialogue with existing residents
- New roles for local authorities as strategic bodies that both understand and shape their residents' aspirations
- Better management of neighbourhoods and the creation of more choice

1. Using existing physical assets with care

Land

Treating available land as an irreplaceable asset means that we should build in a compact way, adding onto existing infrastructure. Government policy is fully in the direction of compact cities, and Government policy on minimum density targets of 30 dwellings per hectare (dw/h) has seen results. The average density of new housing has risen from 25 dw/h in 2001 to an overall average of 42 dw/h in 2005.³⁶ The rise since 2002 has been across the country, and in 2004 no region was below 30 dw/h for the

³⁶ Guy Palmer, Peter Kenway and Steve Wilcox (2006) *Housing And Neighbourhoods Monitor* York: JRF

first time.³⁷ But density levels in London are still more than double those in the rest of the country, and 16 out of 47 county areas were just on or below the 30 dw/h rate in 2004.³⁸

The current level is also still well under what is considered to be moderate to high density levels, and in some ways still begs a question of whether densities can be driven up past an 'invisible line' of 50 dw/h – the level at which it becomes possible in a suburban setting to offer people a primary school and public transport within a ten-minute walk.³⁹

The sharp rise in densities, even to relatively moderate levels, is already leading to concern about the decline in size of dwellings now being built and the “social sustainability” of the policy.⁴⁰ There are fears that people who want larger houses, more space, more privacy who can afford to will be driven out, or rather drive out, to less densely developed neighbourhoods. There has been a rise in the number of smaller units, one-bed flats in particular, that are being produced over family housing.⁴¹ There are fears that some city centre housing markets are heading for a serious crash due to a glut of one-bed flats.

Blame for a shift to smaller units is often put equally on three parties. First, developers are blamed for their greed and short termism. Secondly, Government is blamed for its density targets. Thirdly, planners are blamed for their unseemly haste to meet targets without full reference to local housing demand. As we will discuss below, more proactive styles of planning would help avoid planners being caught on the back foot. But some developers [like Crest Nicholson], with just as much interest in securing a healthy margin and responding to market signals, have pointed out that it is entirely possible to produce family homes that meet density targets.⁴² Others in the building industry have argued that industry engagement to raise building standards in high density housing would also help resolve some of the issues.⁴³

Debates about measurement rarely appeal to non-specialists, but a simple change from measuring densities by dwelling to measuring floor space or the number of people or habitable rooms, could ensure a better mix of housing types as well as space standards and help retain aspirational families.⁴⁴ A change from a focus on net densities – just the housing – to gross densities - including open space, roads and other building - would

37 ODPM (2005b) *Statistical Release Land Use Change in England to 2004: Additional Tables LUCS-20A* London: ODPM

38 ODPM, 2005b op cit; see also <http://www.sustainable-development.gov.uk/regional/summaries/26.htm>

39 Densities should vary based on the type of locations, Public Transport Accessibility Levels (PTAL), settings and predominant housing types as outlined for example in the London Plan density matrix in: Greater London Authority (GLA) (2004) *The London Plan: Spatial Development Strategy for Greater London* London: GLA; see also Communities and Local Government (2006) *Planning Policy Statement 3 (PPS3): Housing* London: TSO

40 Guy Palmer, Peter Kenway and Steve Wilcox, 2006 op cit

41 Peter Hall (2006) *The Land Fetish. A suitable case for Dr Freud?* Presentation at the LSE London Density Debate held on 19th June, 2006 at the London School of Economics

42 Davies Arnold Cooper (2006) *Thames Gateway – No families allowed Industry criticises government's Thames Gateway policy* Press release of 28 September 2006 PRP Architects (2002) *High Density Housing in Europe: lessons for London* London: London Housing Federation; House of Commons ODPM: Housing, Planning, Local Government and the Regions Committee, 2006 op cit

43 Edward Simpkins (2006) *Flat Out* 1st March 2006 Royal Institute of Chartered Surveyors http://www.rics.org/Environmental/landconsultancy/Sustainability/biz_planning_flats0306.htm

44 URS Corporation Limited Patel Taylor (2006) *London Plan Density Matrix Review* London: GLA; Emily Silverman, Ruth Lupton and Alex Fenton (2005) *A Good Place For Children? Attracting And Retaining Families In Inner Urban Mixed Income Communities* Coventry: Chartered Institute of Housing/ Joseph Rowntree Foundation

have a significant impact on how a whole site ultimately looks and feels, and how space is used.

Much progress has been made towards Government targets for development on previously developed land i.e. brownfield sites. The 2008 target of 60 per cent of all new housing in England built on brownfield land has already been exceeded – over 70 per cent in 2005.⁴⁵ With some regions like the North West building nearly 80 per cent of all new housing on brownfield sites, some argue that there is soon to be a point where the such sites start to be used up. There is a view that we will not be able to accommodate all new housing supply on brownfields in the longer term anyway.⁴⁶ Some say that we need to face up to “the necessity of new homes on greenfield sites”.⁴⁷ We would argue against this view for several reasons, which we will now outline.

New planning guidance by Government has been designed to make planning more responsive to market demand.⁴⁸ It does not seem to require land to be released in sequence with brownfield sites first. Overall, the new guidance creates a danger that opportunities to build in existing settlements and helping disadvantaged places will be overlooked for in favour of easier development opportunities. But those easier developments will not produce the all-round benefits we have already discussed.

These dangers are highlighted by the recent announcement of ‘new growth points’ in places like Exeter, Reigate and Banstead, and Reading.⁴⁹ These places are already desirable places, popular with commuters, with little natural room for expansion. Bristol and surrounding areas in the south west sub-region were another new growth point. There is no denying that growth will be positive for those places. However, the centre of Bristol is still very depleted and in need of reviving. The worrying prospect for Bristol is that thousands of new houses built away from the city mean that the centre is further denuded rather than enhanced.

Planning not only needs to respond to demand, it needs to help “shape and direct demand away from hotspots so as to contribute to regeneration of areas in decline”.⁵⁰ We share the acute concern that a vigorous focus on urban renewal will be lost by the proposed relaxation of planning controls.

Some have suggested a compromise. They argue for a relaxation of the restrictions of building on greenfield sites if those developments are ‘off-set’ by the conversion of brownfield sites back to undeveloped uses like green spaces, parks or urban wetlands.⁵¹ However, this argument has failed to understand that it is not the total amount of greenfield land that is the issue. The issue instead is where we build and how. Our focus

45 ODPM, 2005b op cit

46 DCLG (2006) *Previously-developed land that may be available for development: England 2005 Results from the National Land Use Database of Previously-Developed Land* London: DCLG

47 Richard Best, 2003 op cit

48 Communities and Local Government, 2006 op cit

49 Communities and Local Government (2006) *Towns and Cities say ‘Yes’ to Sustainable housing growth* Communities and Local Government News Release 2006/0031 20 June 2006

50 House of Commons ODPM: Housing, Planning, Local Government and the Regions Committee, 2006 op cit

51 Guy Palmer, Peter Kenway and Steve Wilcox, 2006 op cit

on urban renewal, on compact building and One Planet Living mean that there should not be a relaxation of controls on building on greenfield sites whatever the green space trade-offs.

With these counter pressures already gaining momentum, it is important to emphasise that we have not fully exhausted the smaller pockets of available land in existing settlements. Current statistics do not measure sites under two hectares and even more fine-grained housing capacity studies in London do not count sites below one acre.⁵² Public systems discount the capacity that exists on a proliferation of smaller sites. The stock of brownfield sites does not remain static; there is a flow. Small infill sites have been described as “the housing equivalent of the change down the back of the sofa”, and are being turned to out of pure necessity in some London boroughs, but are much less attractive to developers.⁵³ This is partly to do with Fordist system of mass production construction we favour in UK, as we have already mentioned.⁵⁴

Our asset-based approach would demand that we explore all avenues before taking a foot of the brakes on greenfield restrictions. These include: modernisation, re-modelling, re-use, infill sites, conversions, sub-division, intensification, redevelopment on social

housing estates, empty homes.⁵⁵ The other key issue is about re-zoning of industrial and employment land so that it can be freed up for housing. Some areas have a significant number of long-term commercial and industrial vacancies, which suggests there is an opportunity to shift land use to a form that better suits changes in the economic base and would therefore benefit local economies. Much of dissatisfaction with new housing is about poor quality and unimaginative design. The production of new housing is monopolised by the top ten house builders, with little space for competition or variety. Our model would bring with it opportunities smaller builders and developers as alternatives to volume building. If we invest in the renovation of existing buildings it opens up more options for small private developers, local firms using local labour rather than big national companies. Smaller developers, using rehabilitation as well as infill new build, increases the chances for blending the old with the new, for sympathetic matched one-off designs. This approach is more in line with the organic way cities have historically evolved.

Existing housing

An asset-based framework means that we would conserve and upgrade the housing that is already there. Current policy is that repair and renovation attracts VAT, while new build and demolition do not. This equates to a subsidy for new building. If the tax system is one signal from government to individual owners, builders and developers that plays into investment decisions then an equalisation

52 ERM (2003) *London Housing Capacity Methodology Study* London: GLA

53 Unpublished interview by the author with senior officer in London Borough of Tower Hamlets, 2003

54 A Fordist production system is a form of mass production named after Henry Ford's new assembly line method for building cars after 1910 in the USA.

55 David Rudlin (1998) *Tomorrow: A peaceful path to urban reform* London: Friends of the Earth

of VAT between new build and repair and modernisation is surely long overdue.

Additional savings – halving energy use and waste in existing buildings - are needed if we are to deliver on environmental targets. There are solid moves towards voluntary standards and some regulation.⁵⁶ The wider environmental costs of our current energy and water use and waste production mean that there is a case to limit 'choice' by firmer regulation and statutory minimum standards for both existing and new housing.⁵⁷ In existing housing the upfront costs of making change and long payback periods are off-putting to private home owners. In new housing, despite optimistic opinion surveys claiming that 84 per cent would be willing to pay an average 2 per cent more on the purchase price for a sustainable home, there are strong market disincentives for developers and builders to install environmental measures.⁵⁸ Environmentally committed developers [like Igloo] face competition in the market, lack of understanding from institutional investors and consumer reluctance to pay extra for environmental homes.

56 New housing association properties need to get a minimum rating to get subsidy for new homes under Ecohomes, and there is the voluntary tool Ecohomes XB for existing association homes. The Code for Sustainable Homes applies only to new housing, and is also voluntary.

57 SDC, 2006 op cit; House of Commons ODPM: Housing, Planning, Local Government and the Regions Committee, 2006 op cit

58 WWF (2004) *87 per cent of people want environmentally friendly homes* Press release Monday 26 July 2004

2. Using existing human assets with care

The strategic debate about the future of housing on the supply side necessarily takes place at local authority, sub-regional, regional and national levels. But it is also clear that there has not been enough connection with local people, either as purchasers of new supply or as potential allies or blocks to development.

There is very little open, real problem-solving dialogue with existing residents on residential development, except in the social sector, where consultation with those residents who are directly affected by plans is mandatory. Consultation on residential development is seen by many as counter-productive.⁵⁹ There is often a worry that consultation will simply cause anger and upset, rather than solve problems or that it will stir up opposition to development unnecessarily as rumour and misinformation start.

Because of this negative view of consultation with residents, opportunities to harness the energy of local people may have been lost. Instead of viewing residents' interest in development and re-development as obstinate conservatism, it could be seen as an indication of a healthy level of engagement ultimately aimed at our common goals of creating viable desirable places with sufficient infrastructure. Resident attitudes – usually seen as a barrier – could be seen as an asset in our framework.

59 URBED, 2004 op cit

The debate around density described above often looks like an imposition of worthy goals against legitimate consumer preferences. It is not necessarily the case that the high density targets sit uncomfortably alongside our general desire to introduce more choice for consumers if we understand choice as a mature dialogue within limits. For a long period in the UK, high density housing has been associated with poverty, tower blocks, crowded-in slums, and lower social standing. However, very few people properly understand the term density or what sort of neighbourhood different density levels correspond to.⁶⁰ The general public does not know that density levels are not a reliable indication of the form or quality of residential area, for example that high rise blocks may not be high density.⁶¹ There are many potentially positive images of higher densities from desirable areas, indeed, higher density is associated with some of the highest property values.⁶²

Evidence indicates that higher densities are acceptable depending on location, design and management.⁶³ There is general support for additional homes, which increases as promises are made to take into account environmental considerations and the need for infrastructure.⁶⁴ Home buyers' priorities – facilities within walking distance, local

services, security, distinctiveness, a sense of community – are a basis for some for the trade-offs required in higher density urban living.⁶⁵ People's ideal-world preferences are wholly unrealistic in terms of their individual buying power. Not only that, people's desires are often contradictory, for example they want to be away from it all, but near a local pub. Just asking people about their dreams is not a good guide to the decisions and trade-offs they will make. To talk about preferences for country cottages and detached five-bed houses is as risible as a discussion about a Ferrari or Lotus for the majority on Peugeot budgets.

People are able to understand the nature of the trade-offs involved, at a societal and individual level, if these are explained.⁶⁶ Experiments in deliberative dialogue, such as the work by national community design advice charity The Glass-House with residents whose homes are being redeveloped, shows that people's attitudes to higher densities can significantly change given a better understanding of urban design principles. We need more evidence and a better understanding of the market decisions people really make, based on what they can actually afford and what is available.⁶⁷

Looking at the basis for resistance to development shows that it is not blanket, in-principle objection to any new development, but conditional on authorities making a

60 MacCormac Jamieson Prichard Architects (MJP Architects) (2006) *Sustainable Suburbia* London: MJP Architects

61 CABE (2005c) *Better Neighbourhoods: Making higher densities work* London: CABE

62 Anne Power (2006) Presentation at the LSE London Density Debate held on 19th June, 2006 at the London School of Economics

63 Rebecca Tunstall (2002) *Housing Density: what do residents think?* London: NHF

64 James Barlow, Ken Bartlett, Alan Hooper and Christine Whitehead (2002) *Land for housing: Current practice and future options* York: JRF;

65 CABE (2005d) *What home buyers want: Attitudes and decision making among consumers* London: CABE

66 Stephen Platt, William Fawcett and Robin de Carteret (2004) *Housing Futures: Informed public opinion* York: JRF

67 James Barlow, Ken Bartlett, Alan Hooper and Christine Whitehead, 2002 op cit

robust case that new and rebuilt housing are sustainable in all senses of the word, and that existing communities will benefit and be maintained.⁶⁸ Seen from this perspective, residents' lack of apathy on house building and refurbishment could be welcomed as an additional check and balance on improving standards of residential development. In any case, without new housing growth being actively marketed to existing communities, the underlying problem of opposition from local people and politicians will continue to exist.⁶⁹ Without active marketing newcomers will not be attracted to new housing.

3. New roles for local authorities

Local authorities themselves are keenly aware that they need to know more about people's aspirations and priorities. Local housing needs surveys give a good picture of the bare facts on needs, but not people's wants. To perform an effective place-shaping role, local government needs a strong handle on their residents' aspirations for their housing, and also for their neighbourhoods and the environment as a whole.

Conversely, developers are only too aware of people's aspirations, indeed, often appear in thrall to them. A better understanding of what matters to people, and what trade-offs they are prepared to make would help us to push forward a sustainable communities agenda. Current moves towards community involvement in the planning system might feel

radical compared to what has gone before.⁷⁰ The danger is that these positive moves turn into a set of leaden-footed traditional 'consultation' exercises, rather than being seen as valuable market research feeding into housing strategies, or as educative conversations to establish and agree design principles. Local authorities are already engaged in many conversations with residents. They could use these conversations to increase the benefit to their localities by responding to, and shaping, people's aspirations for home and place.

Officers and local politicians in local authorities must start with an understanding of residents' and consumers' preferences. This is the basis on which local government 'place making' could fully flourish. Proposals to extend incentives to local authorities to encourage them to be more active in the delivery of additional housing build on a promising start.⁷¹ Our approach to development needs to be situated within an ambitious strategic vision if the parts of the whole are to have coherence.

These sorts of incentives are part of the wider reconfiguration taking place between central and local government, with responsibility for proactive planning firmly given to local authorities within a regional housing framework, but with centrally-driven environmental standards, density and land use targets. Devolution to local government and communities is critical to our capacity to deliver. Ultimately, local authorities represent the difference between a having a strategy

68 Stephen Platt, William Fawcett and Robin de Carteret, 2004 op cit

69 Richard Best, 2003 op cit

70 ODPM (2004) *Planning Policy Statement 12: Local Development Frameworks* London: TSO

71 DCLG (2006c) *Planning Delivery Grant 2007/08: Proposed Allocations Criteria Consultation Paper* London: DCLG

on paper and producing the conditions for delivering that strategy. Local government is an enabling body that will make plans happen.

However, local authority planning is too often caught in a double bind – criticised for refusing applications, while condemned for being too lenient. Local authorities are charged with bringing about high design and eco-standards while attracting investment. Local authorities are very conscious of the danger of scaring off development, which could easily be lost to neighbouring boroughs. Developers are all too aware that inconsistency across planning departments creates gaps in weaker authorities with less stringent standards.

A more proactive approach to stimulating development, encouraging applications to come forward, while stipulating high standards across sub-regions, would allow local authorities to gain the lead. High-profile place-shaping opportunities, such as the internationally-recognised Lowry and Imperial War Museum North at Salford Quays, are not available in all circumstances. Small-scale measures are useful in a different way, such as a dedicated officer to uncover smaller sites by walking and cycling round the borough, identifying ownership and negotiating development possibilities.⁷² But to create a vision for a place, local authorities need to take the lead on innovative master planning.

Local elected members face difficult decisions in the light of competing pressures. There is evidence of developer appeals against member decisions on officer-recommended

schemes.⁷³ Frontline councillors could perform their community leadership role by taking up the sustainable communities cudgel. This might mean that ward members “take the bold step away from reacting, often negatively, to proposals from developers and housing associations”.⁷⁴

All in all, the importance of the place shaping role for local government should not be underestimated. Historically planning has not been seen as the route to career advancement in the public sector, although this is starting to change. There is a currently a shortage of qualified planners partly for this reason. Indeed, there may be a case for a re-negotiation of local governance arrangements particularly for key strategic decisions in order to promote more bold decision-making.

4. Managing neighbourhoods

Better management of neighbourhoods will be one element in policies to attract and retain people to our new vibrant, compact cities. While surveys show that most people are satisfied with their local area, two and a half times as many people say it is getting worse rather than better. Half think the local crime rate is increasing despite drops in the actual crime rates.⁷⁵ In other countries, developers agree management arrangements along with the plans. The need for good neighbourhood and urban management may now be a truism, but we are at a very early stage in developing models of how private sectors developers can be part of this and retain a longer-term

⁷³ Yew Tree Projects, 2005 op cit

⁷⁴ Richard Best, 2003 op cit

⁷⁵ Guy Palmer, Peter Kenway and Steve Wilcox, 2006 op cit

⁷² For example work in the London Borough of Hackney

interest. The current business model is to 'develop and go' i.e. build and sell off as quickly as possible. There is a need for long-term funding and management mechanisms for new neighbourhoods.

Monitoring of large strategic sites in the UK shows that 68 per cent of big sites are owned by organisations not traditionally involved in development.⁷⁶ This could be a basis on which to work on longer-term business models of development, with landowners of large sites retaining an interest in the land. Shared equity housing, while a stop-gap in terms of addressing affordability until supply increases, could also act as a way of better guaranteeing sustainable communities in new developments because it means the landowner of the larger site retains a financial interest.⁷⁷ New models of development, with a partnership building and managing in the longer term, also open up possibilities for more flexibility and choice over how we blend tenure within a development. With the same organisation responsible for a development, different properties can switch from being for sale, for rent, or part sale, as has been done in a few innovative schemes to date. There are already some schemes where developers have set up resident-led management companies, such as at Royal Arsenal in east London. Companies like Assettrust Housing offer a long-term arrangement for privately financed and owned housing to be managed and let as affordable homes.

Other issues and outstanding challenges

We have laid out an asset-based framework for how to go forward on upgrading existing homes and creating new housing supply. But there are many other unresolved issues that need to be addressed. We do not deal with these issues in this paper, but touch on one of the most important here – that of choice. A key remaining challenge is to introduce more choice into housing on all levels.

At its most basic, there has been an introduction in the social sector of competitive choice for consumers over which house, in which location, they want to live in. Choice-based lettings (CBL) has raised the eyebrows of some professionals chary of its claims to improve community stability and mixed communities. An assessment of CBL over five years goes some way to answering these questions.⁷⁸ Possibly one of the most exciting outcomes of the introduction of choice in the allocation of social housing is that it contributed to relieving spatial concentration of black and minority ethnic households. There had been more lettings to minority ethnic households outside existing areas of settlement, helping tackle ethnic segregation.⁷⁹ Given the choice, consumers aspire to ethnically diverse areas. The evidence supports the government's target of expanded council participation in choice-based lettings schemes across England by 2010, as well as local authority and HA landlords' own plans to adopt the scheme.

76 Savills (2006) *UK Residential Research Bulletin No. 55 Autumn 2006* London: Savills

77 Savills, 2006 op cit

78 Hal Pawson et al (2006d) *Monitoring the Longer-Term Impact of Choice-based Lettings Housing* London: DCLG

79 Hal Pawson, 2006d op cit

However, choice-based lettings only introduce choice for social housing tenants in an extremely limited way. The next challenge is to expand choice and mix within and between tenures to produce more mixed communities and to reduce polarisation and stigmatisation. A better model would not have such a sharp dividing-line between tenures, nor such limited options of outright renting or outright buying. For example, social landlords could explore equity shares for social housing tenants so that they could get an equity stake in their home while remaining as tenants. Equity shares could also mean that moving on does not necessarily mean moving out, and so help retain better-off families within social housing.⁸⁰ The housing profession is keen to develop a bigger menu of products in this way, far beyond what a re-launched set of low cost home ownership products under the Government's 'Homebuy' scheme can offer.⁸¹ Shared ownership and shared equity are regarded as fringe tenures currently, but there is huge scope to expand and mainstream these products.

A further option would be to open up access to social renting for a broader band of people. This would only be acceptable if there was an increase in the amount of affordable housing, given current shortages and high levels of unmet housing need such as homeless households in temporary accommodation.⁸² The current general affordability crisis would be eased if supply increased, but even with

adequate supply there will always be some who need help to afford their housing costs.

Some have proposed a housing tax credit that would subsidise housing costs for those on a low income, whether renting or owning.⁸³ A tenure-neutral personal subsidy would seem to fit in to a broader picture of more flexible boundaries between tenures and sectors. But, ultimately, supply-side subsidies for affordable housing are effective, demand-side subsidies less so. Commentators have made the point that the fall in the rate of house building is due to drop in council house building. However, social rented housing – for right or for wrong- is undeniably extremely discredited. It remains to be seen whether the efforts of social landlords can sufficiently re-invent the tenure. Given this, there is a dilemma over whether Government should now offer increased funding for social rented housing through housing associations, or private developers regulated in the same way. A focus on assets means that existing affordable housing must be protected and invested in. A makeover for affordable housing may be the obvious next step.

Conclusion and summary of recommendations

We have detailed the many concerns and criticisms that people have about the sustainability of new and existing communities. But in creating and upgrading our housing for the future, there are many positives to build on. The fact that people

⁸⁰ Rachel Terry, Merron Simpson and Sue Regan (2005) *HomeSave: Increasing choices for tenants to own assets* Coventry: Chartered Institute of Housing (CIOH)

⁸¹ For more information on HomeBuy see <http://www.communities.gov.uk/index.asp?id=1162813>

⁸² Guy Palmer, Peter Kenway and Steve Wilcox, 2006 op cit

⁸³ JRF (2002) *Reforming Housing Benefit for private tenants and tax credit recipients* Findings 462 York: JRF

are deeply concerned to make our future neighbourhoods vibrant and integrated places is one of the positive features. It is an irony that we beg citizens to become civically engaged, while dismissing or rejecting their valid and useful engagement in how we maintain and create sustainable communities. There should be more connection with local people as potential allies for development.

The rhetoric from central government is definitely going in the right direction. There are unfortunately some clear gaps between central government rhetoric and policy, and we give a summary of our recommendations to remedy some of these gaps below.

But ultimately the delivery of our housing future will take place in local areas with local partners. If local authorities are to take concerns about sustainable communities seriously, then they need to approach housing supply in a different way. We have advocated an **asset-based framework** for this new approach. Too often existing neighbourhoods with scope for increased housing density and investment are seen as liabilities rather than assets. Existing low income neighbourhoods are the most in need of investment, but are too often treated as unfit for anyone but those without choices. New housing for those that aspire to move up the ladder is too often sited away from existing declining town centres, and this only exacerbates problems of segregation and polarisation. An asset-based framework means seeing the following as assets to be protected and used to their best: available land; the local environment; existing homes; existing settlements and

neighbourhoods; local residents' views and aspirations.

The simple message is that development can and should add to what is already there. There are sites within existing communities for new construction that are viable alternatives to new designated growth areas. We need to maximise our use of infill sites and conversions and renovate and modernise existing homes. We need to build out from existing settlements. This would make the most of the assets we have, benefit existing communities, as well as creating new homes. The definition of development is not just: "a group of buildings of the same kind that are built as a single construction project"⁸⁴, but also "to bring out the capabilities or possibilities of; bring to a more advanced or effective state".⁸⁵ We hope that an asset-based approach can help to change our understanding of what residential development should be.

We give a summary of our recommendations for local government below.

Summary of recommendations

Central government

- Strongly promote alternatives to clearance and building on the outer edges of towns and cities, including infill and renovation.
- Continue to re-think housing market renewal plans to take account of residents'

84 <http://encarta.msn.com/encnet/features/dictionary/dictionaryhome.aspx>

85 <http://dictionary.reference.com/>

and others objections to the loss of neighbourhood assets. These assets include buildings, services and facilities, as well as social networks.

- Consider raising minimum average density targets to 50 dwellings per hectare – the ‘invisible line’, and level at which a ten-minute walk to a primary school and bus stop becomes possible. Resist pressure to lower density targets particularly as the market changes.
- Change the measurement of net density from the number of dwellings per hectare to the number of people, number of habitable rooms, or amount of floor space. Measure gross densities i.e. including open space, roads and other building on a site, in addition to net densities i.e. just the housing.
- Re-think and revise planning guidance to better ensure that planning contributes to urban renewal. This could mean re-introducing a ‘sequential test’, that is requiring land to be released in sequence with brownfield sites first.
- Consider plans for the new growth points against an asset-based framework, particularly plans for building on the outer edges of towns. Halt any further new growth points in already highly desirable commuter areas.
- Equalise VAT between new build and repair and modernisation.
- Raise environmental standards for both new and existing housing through stronger regulation and higher statutory minimum standards.

Local government and partners

- Proactively promote alternatives to clearance and building on the outer edges of towns and cities. Explore all avenues before considering greenfield building, including: modernisation, re-modelling, re-use, infill sites, conversions, sub-division, intensification, redevelopment on social housing estates, empty homes.
- Re-think and revise planning guidance to better ensure that planning contributes to urban renewal. This could mean re-introducing a ‘sequential test’, that is requiring land to be released in sequence with brownfield sites first.
- Continue to re-think housing market renewal plans to take account of residents’ and others objections to the loss of neighbourhood assets. These assets include buildings, services and facilities, as well as social networks.
- Set ambitious local density targets with a minimum of 50 dwellings per hectare – the ‘invisible line’, and level at which a ten-minute walk to a primary school and bus stop becomes possible. Resist pressure to lower density targets particularly as the market changes.
- Take local measures of net density based on the number of people, number of habitable rooms, or amount of floor space per hectare. Take local measures of gross density i.e. including open space, roads and other building on a site, in addition to net densities i.e. just the housing.
- Conduct capacity studies to assess the quantity of land potentially available for

development on smaller sites, i.e. under one-two hectares.

arrangements for key strategic place-shaping decisions.

- Debate possibilities for rezoning of industrial and employment land to be freed up for housing, where relevant.
- Prioritise partnerships with housebuilders and developers that promote the highest quality imaginative design and environmental standards, including encouraging smaller firms.
- Work with local development partners to create new models for longer-term funding and management mechanisms for new developments.
- Promote different images of higher density housing, and clarify misperceptions. Experiment with deliberative dialogue to offer residents a better understanding of urban design and density issues.
- Develop a more sophisticated understanding of local people's and housing consumers' aspirations and priorities for housing. Use opportunities for consultation to enhance local government's ability to respond to and shape residents' aspirations.
- Set high environmental and design quality standards for both new and existing housing at a local and sub-regional level.
- Be in the lead role on innovative master planning for local areas. Proactively stimulate development through both high profile landmark development, and small-scale measures.
- Consider re-negotiating local governance