

**CAPITALISE AND EMPOWER:**  
EXPLORING ALTERNATIVES TO DEMOLITION BY HOUSING  
MARKET RENEWAL PATHFINDERS

By

**Tom Archer**

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**Centre for Urban and Regional Studies**  
**Birmingham Business School**  
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## **ABSTRACT**

This thesis examines the issue of housing demolition by Housing Market Renewal Pathfinders (HMRPs), and the potential of community-led alternatives. It begins with an extensive review of the literature relating to HMRPs, focusing on their demolition activity and objections to it. This leads to the development of three theoretical propositions; that such demolition schemes can detrimentally affect the capital wealth of existing residents; that they can fail to empower residents; and that addressing these two issues may lead to more effective interventions. The thesis explores the potential of Community Land Trusts (CLTs) to address issues of resident capitalisation and empowerment, particularly in HMRP settings. Using a case study strategy the theoretical propositions are tested, and attempts to create a CLT in one HMRP area are scrutinised. The thesis concludes that the propositions made are valid for the case, and likely to be valid for similar cases. It asserts that whilst there are a number of challenges in creating CLTs, the model has the potential to capitalise and empower and this should be acknowledged and tested further.

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## CONTENTS

|  |    |
|--|----|
| ABSTRACT .....   | 2  |
| ACKNOWLEDGEMENTS.....  | 3  |
| CONTENTS.....  | 4  |
| LIST OF FIGURES.....   | 6  |
| <br>CHAPTER ONE: INTRODUCTION .....                          | 1  |
| 1.1 Research focus .....                                     | 1  |
| 1.2 The research stages.....                                 | 4  |
| 1.3 Research aims and questions .....                        | 6  |
| 1.4 Thesis structure.....                                    | 7  |
| <br>CHAPTER TWO: RESEARCH STRATEGY AND METHODS .....         | 8  |
| 2.1 Selecting a subject of study.....                        | 8  |
| 2.2 Literature review and research question development..... | 9  |
| 2.3 Choosing the research strategy .....                     | 11 |
| 2.4 Choosing the type of case study .....                    | 14 |
| 2.5 Ensuring a good case study design .....                  | 16 |
| 2.6 Case study structure .....                               | 21 |
| 2.7 Methods employed in the case study .....                 | 22 |
| 2.8 Limitations of the research .....                        | 29 |
| <br>CHAPTER THREE: EXPLORING HOUSING MARKET RENEWAL .....    | 31 |
| 3.1 What were HMRPs a response to? .....                     | 31 |
| 3.2 How was HMR conceived? .....                             | 42 |
| 3.3 How have HMRPs intervened? .....                         | 49 |
| 3.3.1. <i>The initial years of the programme</i> .....       | 49 |
| 3.3.2. <i>Changing context and focus</i> .....               | 52 |
| 3.3.3. <i>The impact of recession</i> .....                  | 55 |
| 3.3.4. <i>Demolition: one element of the programme</i> ..... | 56 |
| 3.3.5. <i>Conclusion</i> .....                               | 58 |

|  |     |
|--|-----|
| CHAPTER FOUR: THEORETICAL PROPOSITIONS AND ALTERNATIVE INTERVENTIONS ..... | 60  |
| 4.1 The opposition to HMRP demolition .....                                | 61  |
| 4.1.1. <i>Refurbishment is a preferable intervention</i> .....             | 61  |
| 4.1.2. <i>Demolition results in the loss of historic townscapes</i> .....  | 64  |
| 4.1.3. <i>Demolition does not deliver value for money</i> .....            | 65  |
| 4.1.4. <i>Demolition fails to capitalise existing residents</i> .....      | 67  |
| 4.1.5. <i>Demolition neglects the empowerment of residents</i> .....       | 72  |
| 4.2 Theory development .....   | 78  |
| 4.2.1. <i>Theoretical propositions</i> .....                               | 78  |
| 4.2.2. <i>Community Land Trusts</i> .....                                  | 80  |
| CHAPTER FIVE: THE CASE OF SLATER STREET .....                              | 99  |
| 5.1 Contextualising the case .....   | 100 |
| 5.2 The chronology of intervention .....                                   | 108 |
| 5.3 Analysis of the intervention .....                                     | 158 |
| 5.3.1. <i>Capitalisation</i> .....   | 158 |
| 5.3.2. <i>Empowerment</i> .....  | 169 |
| 5.3.3. <i>Interventions that empower and capitalise</i> .....              | 176 |
| CHAPTER SIX: CONCLUSIONS .....   | 178 |
| 6.1. Findings .....  | 178 |
| 6.2. Achievement of aims and contribution of knowledge .....               | 180 |
| 6.3. Limitations of the research .....                                     | 183 |
| 6.4. A view of the future .....  | 183 |
| APPENDICES .....   | 186 |
| LIST OF REFERENCES .....   | 194 |

## LIST OF FIGURES

|  |     |
|--|-----|
| Figure 1: Data types and sources.....  | 23  |
| Figure 2: HMR outputs .....  | 57  |
| Figure 3: CLT financial model.....   | 87  |
| Figure 4: Flow of investment and capital in a typical HMRP demolition and rebuild scheme ..... | 93  |
| Figure 5: Flow of investment and capital in a CLT model of refurbishment .....                 | 96  |
| Figure 6: The location of Slater Street in the wider geography.....                            | 100 |
| Figure 7: The physical boundaries of the case study area .....                                 | 101 |
| Figure 8: Slater Street and geographic context .....   | 102 |
| Figure 9: Volume of house sales in Stoke-on-Trent between 1996 and 2009 .....                  | 105 |
| Figure 10: Middleport 2002 NRA area.....   | 110 |
| Figure 11: Brown's Yard, the Co-op and Burslem Port project .....                              | 112 |
| Figure 12: NPV and projected values for four interventions .....                               | 115 |
| Figure 13: Category 1 hazards in Slater Street .....   | 123 |
| Figure 14: Costs of each option.....   | 126 |
| Figure 15: Scores of each option on the socio-environmental assessment.....                    | 128 |
| Figure 16: Financial entitlements resulting from displacement .....                            | 138 |
| Figure 17: Slater Street in March 2008.....  | 144 |
| Figure 18: Proposal to demolish 111 properties .....   | 145 |
| Figure 19: Middleport masterplan 2009.....   | 152 |
| Figure 20: Clews Street 2009 .....   | 153 |
| Figure 21: Dimsdale Street in 2009 .....   | 154 |
| Figure 22: Design concept for Slater Street and co-op site .....                               | 157 |
| Figure 23: NPV calculations for comprehensive renovation .....                                 | 166 |

## CHAPTER ONE: INTRODUCTION

At the turn of the new millennium the issue of low demand for housing, specifically in the UK's northern cities, was vexing politicians, academics and housing practitioners. This study commenced in 2005, two years after the Labour government had initiated its Housing Market Renewal Pathfinder (HMRP) programme, which was a response to the low demand issue. The HMRP programme, as shall be discussed, gave rise to significant opposition related predominantly to the demolition of housing (Leather, 2010). This thesis looks at the issue of HMRP demolition, why opposition was so vociferous and explores other models of intervention in HMRP areas.

The following chapter presents a brief overview of the subject of study, leading to full discussion of the aims and research questions of the thesis. The chapter concludes with a description of the structure of the thesis.

### **1.1      *Research focus***

As the UK's economic vitality has peaked and troughed over the preceding 50 years, it has become clear that periods of economic growth have often provided little respite for deprived communities. What is more, in periods of economic hardship such areas have often been the ones to have suffered the most (Kearns and Parkes, 2003; Tunstall, 2009).

It is perhaps because of this that the footprint of deprivation has remained relatively fixed for several decades (Atkinson & Kintrea, 2002). This has been particularly

evident in the UK's northern cities. A significant level of outmigration from inner city areas (Champion, 2001) has been the product of a variety of social and economic forces, as well as government policies. For over twenty-five years there have been sustained attempts to regenerate some of these areas, and whilst some interventions have proved effective (Power, 1995), transformational change has been hard to secure (Atkinson & Kintrea, 2002).

In the early 2000s, structural problems in the housing markets of northern cities were becoming manifest, specifically the areas peripheral to the city centres; their 'inner cores'. Social housing providers reported intractable problems letting vacant dwellings, as well as high turnover rates for their properties (Ferrari & Leather, 2006). This is despite there being significant housing need in their area. Similar problems were also evident in the private sector, and this cross-tenure nature of the problem (as well its cross-regional characteristics) made some commentators suggest that greater forces were at work: regional and sub-regional changes in migration patterns, changes in lifestyles, and neighbourhood factors that were causing unpopularity of housing (Bramley and Pawson, 2002).

Strategic action, at a large geographical scale, would be needed to prevent displacing the problem to nearby areas. What was needed was intervention that would renew failing housing markets. The model that emerged from a series of studies on low demand (Nevin et al, 2001; Lee and Nevin, 2003) was that of Housing Market Renewal Pathfinders (HMRPs), whose purpose was to 'determine the trajectory of neighbourhoods' (Hastings, 2003) and address 'the mismatch between



demand and supply and improve the quality of housing' (ODPM, 2005). From an early stage, it was acknowledged that housing demolition would be an element of HMRP's activity (Audit Commission, 2005), so powers of compulsory purchase were strengthened to enable this intervention.

As detailed in the following sections, the initial scale of planned housing demolition stimulated interest not only in the housing sector, but also in the mainstream media. The issue received prime-time television coverage through programmes such as 'Bulldozer Battles' on ITV (Anderson & Warren, 2006) and Radio 4's investigation entitled 'Urban Regeneration' (Law, 2005). Few in policy circles were disputing the need for action. However, few would also deny the scale of opposition to demolition. A number of communities that were subject to housing demolition, or were going through the process of compulsory purchase orders, were expressing dissatisfaction (and at times outrage) with the activity (Clifton, 2006).

Such opposition to demolition has been vociferous and multi-faceted. Some opponents have focused on the importance of retaining heritage assets and have criticised the incentives for demolition rather than refurbishment (SAVE Britain's Heritage, 2006; HCCPA, 2008). Other opponents have focused on the poor value for money achieved by HMRPs. As discussed later in the thesis, other important criticisms have emerged relating to the capitalisation and empowerment of residents in such interventions.

## **1.2     *The research stages***

The research has adopted an inductive strategy in reviewing the literature relating to HMRPs, leading to the development of theoretical propositions to test through case study research. In the following chapter a detailed account of the research strategy and methods is given, and the rationale for choosing them.

The decision to focus on the HMRP programme was made as a result of the sheer scale of controversy and opposition it had sparked in 2005. The extent of opposition to it, and the relative consensus that low demand housing was a problem, made this an interesting subject of study. It was hoped that by exploring the programme, and trying to understand the opposition to it, the thesis may arrive at some conclusions about how HMRPs may better intervene. Hence the aim throughout has been a practical one; *to provide intelligence that will enable HMRPs to develop more effective interventions.*

Given this aim the research has evolved through the following **four stages**:

1. Exploration
2. Theory development
3. Primary research
4. Reconciling theory and primary evidence

Below a summary of the purpose and development of each of the four stages is given.

### *Stage 1: Exploration*

The research was initially developed through a wide ranging review of literature on the HMRP programme, drawing on secondary evidence from a variety of sources.

This exploration sought to understand the broad context in which the HMRP programme emerged, as well as how the programme was conceived and how HMRPs have intervened in their local areas. Such a general literature review helped narrow the focus of study.

### *Stage 2: Theory development*

Having demonstrated in the exploration phase the critical role of demolition in HMRP, this became the focus of the theory development. Analysing the different types of opposition to demolition led to the development of a number of theoretical propositions about such interventions, and an assessment of potential alternatives. Specific attention is given to Community Land Trusts (CLTs) as such an alternative.

### *Stage 3: Gathering primary evidence*

In this stage the aim was to test the theoretical propositions by exploring a real world example of HMRP demolition. An explanatory case study (Yin, 2003a) was deemed the most appropriate strategy. This case study uses a variety of evidence to chronologically scrutinise a HMRP demolition scheme, as well as looking at a community's attempt to offer an alternative.

#### *Stage 4: Reconciling the theory and primary evidence*

In conclusion the theoretical propositions developed in the thesis are assessed for validity. This entails looking at validity for the cases study area and beyond to other similar cases, assessing the extent to which generalisations can be made.

### **1.3 Research aims and questions**

Each stage of the study had an aim and a set of research questions that guided the research activity. These were as follows:

| <b>Stage</b>   | <b>Aim</b>   | <b>Research questions</b>  |
|--|--|--|
| <b>Stage 1:</b><br><i>Exploration</i>                            | To build an understanding of the HMRP programme and to narrow the focus of study | a. <i>What was HMRP a response to?</i><br>b. <i>How were HMRPs conceived?</i><br>c. <i>How have HMRPs intervened?</i>  |
| <b>Stage 2:</b><br><i>Theory Development</i>                     | To develop theoretical propositions regarding HMRP interventions                 | d. <i>What has been the opposition to demolition by HMRPs?</i><br>e. <i>What interventions would address such opposition?</i>  |
| <b>Stage 3:</b><br><i>Testing theories with primary evidence</i> | To undertake case study research to test the theoretical propositions            | f. <i>How did the HMRP intervene?</i><br>g. <i>How much did the intervention capitalise residents?</i><br>h. <i>How much did the intervention empower residents?</i> |

|   |   |  |
|---|---|--|
| <b>Stage 4:</b><br><i>Reconciling<br/>the theory<br/>and evidence</i> | To make conclusions about<br>the validity of the theoretical<br>propositions, within the case<br>and in general terms | <i>i. Does the alternative intervention<br/>have application beyond this case<br/>study?</i> |
|---|---|--|

#### **1.4 Thesis structure**

The following chapter (Chapter 2) outlines the research strategy and methods employed. Chapter 3 presents a detailed exploration of the HMRP programme. Chapter 4 presents a detailed view of opposition to HMRP demolition, and offers a set of theoretical propositions about this. In addition the chapter explores an alternative model of intervention. Chapter 5 presents a case study of HMRP demolition, giving a chronological account of the intervention and subjecting it to analysis. Chapter 6 concludes by bringing together the learning from the research, reflecting on the findings, and assessing the thesis' contribution to knowledge and its limitations.

## **CHAPTER TWO: RESEARCH STRATEGY AND METHODS**

The following section explains the research strategy and methods adopted. It provides a record of the key decisions made relating to the strategy and methods, highlighting both the strengths and weaknesses of the research. The section follows the order of the research process, starting with a discussion of how the subject of HMRPs was selected and how the literature review and the research questions were developed. The section focuses heavily on how the case study was designed and the methods employed in it. The section draws on the wide methodological reading undertaken.

### **2.1     *Selecting a subject of study***

To understand the research strategy and methods, and to appraise the reliability of the research, an understanding of the history of the study must be provided (Silverman, 2005, p.306). It began in 2005, at a time when the author was conducting several research projects with HMRPs in a professional capacity. This familiarity with the HMRP programme, and the desire to undertake longer term academic research, were primary motives for undertaking an MSc by Research on this subject. In addition, the HMRP programme was receiving significant attention in 2005, and hence was a relevant and contemporary subject to study. At the outset of the research it was decided that the study should be of some practical value beyond the academic field. In focusing on the HMRP programme, the hope was that new

knowledge could be contributed that would enable more effective interventions by HMRPs.

Having professional experience with a number of HMRPs, before the study was initiated, brought both benefits and challenges. Familiarity with the subject matter helped focus the study and relate the literature on HMRPs to real life experience. However, such experience had created a number of preconceptions about HMRPs, in particular with regard to their consultation processes. To address this potential bias a substantial review of the practices of HMRPs was undertaken to gain a broader range of perspectives.

In focusing on HMRPs the thesis is concerned with the development and implementation of the programme through the period 2002-2010. As such, any references to 'government' relate to the UK's 1997-2010 Labour government, unless otherwise stated. The period of study roughly covers this Labour government's final two terms in office, though the conclusion introduces some perspectives on the current coalition government's policies, who were elected in May 2010.

## **2.2     *Literature review and research question development***

As noted in the introduction the research began with a detailed review of the literature on the HMRP programme. The purpose of a literature review, as suggested by Robinson and Reed (1998), is primarily to establish what is known:

‘a systematic search of published work to find out what is already known about the intended research topic’ (Robinson and Reed, 1998, p.58)

In the initial stages of the review a diverse range of subjects related to HMR was explored; detailed reading on measuring neighbourhood change, resident displacement in HMRPs and patterns of urbanisation in the UK were all subjects that were explored. Reading was suggested by a thesis supervisor, and the literature review grew organically. It became clear from an early stage that some parameters were needed to decide what literature to review. Hence, three research questions were developed to guide the review;

- What were HMRPs a response to?
- How were HMRPs conceived?
- How have HMRPs intervened in their local areas?

In the course of answering these questions the focus narrowed onto the issue of HMRP demolition and the widespread opposition to it. A further set of research questions were developed at this stage relating to this and how HMRP interventions may counter such opposition. Answering these research questions led to the development of a number of theoretical propositions. The intention was to test the theoretical propositions through primary research. This gave rise to a further set of research questions to guide the primary research. In this way the research questions were developed at each stage, guiding the exploration, then the theory development and finally the primary research. The literature review performed a crucial function in



determining 'the questions that are most significant for a topic and gaining some precision in formulating these questions' (Cooper, 1984). At the start of each chapter, we detail the research questions driving that stage of the research.

Beyond reviewing the documents relating to HMR, literature relating to social research methods was also reviewed. Suitable research strategies were explored that would be appropriate for the emerging focus on HMRP demolition. Significant reading was conducted on the issue of inductive versus deductive research designs. This learning shall not be repeated here, but it has informed the eventual research strategy. The research has sought to balance inductive and deductive research practices. The literature review was conducted in an inductive manner, collecting data before generating theoretical propositions (May, 2001, p.31). Following this a more deductive approach was adopted in testing the theoretical propositions through further research (Popper, 2003).

### **2.3      *Choosing the research strategy***

Having formed a number of propositions about HMRP demolition (see Chapter 4) several options for further research were considered. Case study research had an initial appeal as it would enable a testing of the propositions. Having reviewed various research strategies it became clear that case studies had a number of advantages. Firstly, the case study strategy was deemed appropriate when 'a how or why question is being asked about contemporary events' (Yin, 2003a, p.9). This fitted the requirements of this research. In the formation of the theoretical propositions about HMRP demolition a number of 'how' and 'why' questions were raised, for

instance, how do HMRPs implement their demolition programmes? Secondly, the reading undertaken suggested that a case study approach would allow researchers to reflect the multi-faceted nature of social phenomena, removing the requirement to isolate certain variables. When big and complex questions need to be asked, such as how much do interventions empower residents, case studies allow the researcher to look across a multitude of factors, influences and issues:

‘..case studies allow investigators to retain the holistic and meaningful characteristics of real-life events such as individual life cycles, organisational and managerial processes and neighbourhood change’ (Yin, 2003a, p.2).

The third reason for selecting a case study research strategy, and related to the above, is that case studies are of particular value when looking at decision-making. Such an approach enables an unpicking of the reasons why events took the course they did, and issues of implementation:

‘the essence of the case study...is that it tries to illuminate a decision or set of decisions; why they were taken, how they were implemented and with what result’ (Schramm, 1971).

Given the focus on HMRP interventions, the case study strategy seemed highly appropriate.

However, case study research is not without its critics. Whilst the case study strategy has won favour among sections of the social research community, it is still viewed by many as a lesser alternative to surveys, experiments and histories. The case study can be justifiably seen as having certain limitations (Yin, 2003a):

- lack of statistical generalisation and the application of ‘sampling logic’
- inability to offer predictive mechanisms; and
- limited capacity to provide explanatory or descriptive insight

The case study for this thesis was designed to counter the first two limitations. At no point does the study attempt to make statistical generalisations or predictions (see sub-section 2.5 below for a discussion of generalisability). The idea that case studies struggle to provide explanatory and descriptive insight can be challenged. In sub-section 2.4 below an argument is made for the use case studies in explaining and describing contemporary events. In reviewing the methodological literature there are strong arguments for adopting a case study strategy in this research, especially given the focus on government policy and implementation. Coffield (1980) succinctly articulates this as such:

‘The value of a detailed case study such as this is that it presents a testing ground for policy; the central questions are not only about the typical families, but also about the way in which a national policy can influence the particular cases which this study describes.’ (Coffield et al, 1980, p.15).

## 2.4 Choosing the type of case study

Before designing the case study a number of well-regarded and popular case studies were reviewed (Liebow, 1967; Allison, 1971). Following this a detailed reading of Yin's seminal publication on case study research (2003a) was undertaken. In this publication Yin presents three types of case study research:

- *Exploratory* – Data is collected prior to any theory development. Such case studies focus on “what” questions, such as what are the ways of intervening in low demand areas?
- *Descriptive* – Such case studies take exploration a step further and try to obtain data on particular issues. Research questions here can focus on “what” questions, but perhaps lead to deeper enquiry, asking questions such as what actions were taken?
- *Explanatory* – The aim is to explain why or how something happens or happened. Such case studies require some theory development to direct the data collection. The research questions are likely to be of the “how” or “why” type, for instance, why did an intervention take place?

Others commentators have added to the list of case study types (Stake, 1995), but for expediency Yin's basic typology was used. Yin suggests that the choice of case study type is dependent on a number of factors; the type of research questions posed, the control of the investigator over events, and the degree of focus on

contemporary or historical events. Having developed an initial theory, leading to the positing of 'how' and 'why' research questions, meant that an explanatory case study design was appropriate. Such studies lend themselves to the 'examination of contemporary events but where relevant behaviours cannot be manipulated' (Yin, 2003a, p.7). The proposed case study of a recent HMRP intervention, which had been completed and therefore immune from manipulation by the researcher, seemed to fit the criteria for an explanatory case study.

As noted above, such explanatory case studies require some propositions or theory to guide case selection and data collection:

'For case studies, theory development as part of the design phase is essential, whether the ensuing case study's purpose is develop or test a theory...it is not only an immense aid in defining the appropriate research design and data collection, but also becomes the main vehicle for generalising the results of the case study' (Yin, 2003, p.28).

This asserts the importance of the initial stage of research, in reviewing the literature, narrowing the focus of the research and formulating theories. This has enabled a 'hypothetical story about why acts, events, structure and thoughts occur' (Sutton and Staw, 1995, p.378) to be developed. Having such a story aided case study selection and help decide which case best met the needs of the research question (see sub-section 2.5 below).

## **2.5     *Ensuring a good case study design***

Designing the case study in line with accepted social science practices has been a priority throughout. It is suggested that:

‘...a good case study design, at a minimum, involves defining your case, justifying your choice of single or multiple case study, and deliberately adopting or minimising theoretical perspectives’ (Green et al, 2006, p.114).

These three issues have been rigorously addressed. Taking each in turn, the rationale for making certain choices about case study design is explained below.

### ***Defining the case***

In defining the case to be studied Yin (2003a) urges that the ‘unit of analysis’ is defined. In simple terms this might be a person, a geographical area or an institution. After developing our theoretical propositions and a set of research questions, it became clear that the unit of analysis needed to be more specific than just a geographical area or an institution. The research questions demanded an examination of the decisions, actions and interventions of a HMRP within one or more geographies. Reputable studies from the field of case study research have shown how this design can be appropriate when studying implementation processes, or programmes for sociological or organisational change (Feagin et al, 1991). In such case studies, the unit of analysis is a programme, rather than a simple geography or organisation. The case study design has been built on such learning.

It is legitimate to ask how the case(s) were to be selected. Methodological reading had suggested that cases should be selected on the basis of those which 'best illuminate your research questions' (Green et al, 2006, p.121). Therefore, the theoretical propositions and research questions required the identification of a case (or cases) with both of the following criterion:

- I. An area that had been the recipient of HMRP demolition
- II. An area that had developed a CLT in response to demolition

The first criterion created a number of challenges. There are various instances of HMRP demolition nationally, but access to primary and secondary evidence is challenging because of the high profile and controversial nature of such interventions. Few HMRP staff wanted to be interviewed or provide documentary evidence (see sub-section 2.7 below). In addition, because of the stipulation that demolition had already taken place, it was likely that residents would have been displaced making them hard to find to interview. The first two years of study were spent trying to engage HMRPs in the research, but few were willing to participate. Various HMRPs were contacted via letter and email but without response.

The second criterion made identifying a case equally difficult. There are very few instances of CLTs in HMRP demolition areas, though some examples do exist. In the course of trying to find a case that met the two criteria, a number of academics and specialists in the HMRP and CLT field were contacted. This revealed a number of cases in the UK and in the United States (US), but none that met the criteria.

Finally, a suggestion was made by an academic at the University of Birmingham that Slater Street (in Stoke on Trent) might be an appropriate case. The area had been subject to HMRP demolition, and whilst a CLT had not been formed, attempts had been made to develop one. In addition, it would be possible to speak to a resident still living in the area.

These pragmatic considerations drove the selection of Slater Street as the case study. Various attempts were made to engage the HMRP, but these failed (see sub-section 2.7 below).

### ***Single case versus multiple cases***

There are several good reasons for conducting multiple case studies. Multiple case designs are often regarded as more compelling and robust, and offer the researcher the opportunity to make comparisons between cases. Nonetheless there are powerful arguments for single case designs:

‘The single case design is eminently justifiable under certain conditions – when the case represents (a) a critical test of a theory, (b) a rare or unique circumstance’ (Yin, 2003a, p.47).

It became clear having developed the theoretical propositions, and having experienced the difficulty of identifying a suitable case, that Slater Street was indeed both a critical test and a unique circumstance. As suggested by Flyvbjerg (2006) practical considerations, such as those experienced in this study, rather than logical



considerations, often governs case selection. When researching niche areas, with few practical examples to build on, case selection becomes an art and not a science. It is with such considerations in mind that a single-case design was adopted. Accepting the limitations of this approach, it nonetheless enabled significant time and effort to be invested in understanding the case, and identifying multiple perspectives within the case.

Critics of the case study method may argue that neither single nor multiple case designs enable 'generalisation' from the case to a wider population. Indeed, statistical generalisation is not possible from the case study in this thesis. The findings presented here are not representative of all HMRP demolition areas, nor do our conclusions on CLTs hold for all such developments. Yet some commentators have argued that such formal generalisation is overvalued:

'One can often generalise on the basis of a single case, and the case study may be central to scientific development via generalisation as supplement or alternative to other methods. But formal generalisation is overvalued as a source of scientific development, whereas 'the force of example' is underestimated.' (Flyvbjerg, 2006, p.228)

How then does generalisation from case studies take place, if not formally? In conducting the case study, the aim has been to elucidate some of the complexities of an individual case, which facilitates a new and more informed understanding of similar cases. This is called analytic generalisation (Yin, 2003a). The case study

provides context-dependent conclusions; where similar cases have comparable contexts, the learning can be transferred. The case allows for the expansion and generalisation of a theory, rather than enumerating frequencies (Yin, 2003a, p.10). In this sense the thesis' conclusions are not generalisable to all areas of HMRP demolition, but those with specific conditions and contexts.

### ***Theoretical perspectives***

The third factor in good case study design is deciding whether theoretical perspectives are to be minimised or actively adopted. The development and role of the theoretical propositions in this study has been discussed above. It suffices to say that a number of theoretical propositions were adopted prior to case study research. Such practices are deemed appropriate where researchers are inexperienced in case study research. Greater challenges are posed for those wishing to conduct case studies with minimal recourse to theories (Yin, 2003a).

Hence we have addressed the three key issues in case study design. In addition attempts have also been made to meet Yin's (2003a) quality criteria; that case studies construct validity, have internal validity, ensure external validity and are reliable; they provide data in a way that has maximised the objectivity and independence of the researcher; the research is conducted ethically; the case studies enable theory development and 'analytic' generalisations.

## **2.6 Case study structure**

In considering how to analyse and report the case study, a great deal of thought was given to how the case study should be structured. Using Yin's six structural types<sup>1</sup> (2003a, p.152) an assessment of the best structure for the study was made, in light of the purpose, the theoretical propositions and the research questions of the study. Having an explanatory case study design made a chronological structure the most appropriate, enabling an explanation of 'causal sequences' occurring linearly over time (Yin, 2003a, p.153). Given the research questions for the case study, which relate to how HMRP intervened over a period of time, a chronological structure seemed prudent.

Having opted for a chronological structure, issues of presentation and interpretation of evidence were then dealt with. Cautionary words on the 'mixing of evidence and interpretation' were noted, and how this 'may be taken as a sign that you do not understand the difference between the two' (Green et al, 2006, p.117). The case study was therefore structured into sections; the first and second sections present evidence on the broad context for the case and the chronology of the intervention. This evidence is presented with as little interpretation as possible. The third section interprets and analyses this evidence to see whether it supports the theoretical propositions made.

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<sup>1</sup> The six structural types are; linear-analytic, comparative, chronological, theory building, 'suspense', unsequenced.

## **2.7      *Methods employed in the case study***

In advance of deciding which research methods to employ, a case study protocol was developed to guide data collection and analysis. The protocol documents such things as research questions, whilst also describing the 'general rules and procedures to be followed' (Yin, 2003a, p.67). The case study protocol evolved throughout the study and is presented in Appendix 1.

It was decided at an early stage, where possible, to triangulate types and sources of data. This meant adopting different data collection methods (e.g. interviewing or document reviews), as well as identifying different sources of data (e.g. resident interviews or HMRP documents). By triangulating the data differing perspectives were to be teased out. Triangulation helps achieve a sense of clarity by seeing phenomena in different ways and from different perspectives (Flick, 1982). In addition, where different data sets confirmed each other it instilled greater confidence in their validity (Niglas, 2004). The subject of study made such triangulation crucial. From an early stage it was clear that the perspectives of the HMRP were significantly at odds with that of affected residents. Triangulation was central to getting to an accurate and balanced view of events.

With the requirements of triangulation in mind, the case study was formed from three types of data, providing three different perspectives:

Figure 1: Data types and sources

| <b>Data set</b>                                | <b>Data type</b>        | <b>Perspective</b>  |
|--|-------------------------|---|
| Public inquiry evidence and HMRP documentation | Written documents       | <ul style="list-style-type: none"> <li>• The HMRP and local authority officers</li> <li>• External researchers</li> </ul> |
| Resident/activist testimony                    | Face to face interviews | <ul style="list-style-type: none"> <li>• Residents/activists affected by demolition</li> </ul>                            |
| Local media coverage                           | Newspaper articles      | <ul style="list-style-type: none"> <li>• The views of the wider community</li> </ul>                                      |

The methods of data collection for each data set are presented below, along with reflections on the value and limitations of these methods.

### ***Public inquiry evidence***

Following case study selection a large amount of documentary evidence was amassed. This evidence had been submitted by the HMRP to a public inquiry conducted in 2008. This public inquiry was sanctioned by the Secretary of State to adjudicate on the proposed demolition activity in the case study. The documentation provided a wealth of information not only on the lead up to and implementation of demolition, but also on how decisions were made and the evidence supporting them. In total over 30 documents were formally reviewed, comprising over 1000 pages of data. The documentation contained the following types of evidence:

- Proof of evidence – personal testimonies from HMRP and local authority officers related to decision-making processes and the evidence supporting demolition
- Formal decision making documentation – such as reports to the Local Authority cabinet and minutes of local Overview and Scrutiny Commissions
- External research - such as Neighbourhood Renewal Assessments, Stock Condition Surveys and community consultations
- External masterplanning documents
- Correspondence with residents – such as letters and leaflets
- Correspondence between the HMRP/local authority and central government
- Local authority policy documents – such as relocation and compensation policies

Such was the wealth of evidence a rigorous system for analysis was required. The bulk of the documentation was in the form of Proofs of Evidence, this evidence was reviewed using a coding matrix to segment the data into analytical units. Choosing the 'labels' for these analytical units was a key issue for consideration, as they would attribute emphasis or focus (Merriam, 1998). The case study research questions helped guide the segmentation, ensuring the capture of data relevant to our theoretical propositions. Whilst such methods provided a rigor to the analysis a formal content analysis of these documents was not undertaken (Krippendorff, 2004).

Analysing the Proofs of Evidence in this way gave a detailed picture of the chronology of intervention from the perspective of the HMRP and local authority staff.

Such testimony however, being personal accounts of events, raised numerous questions. In order to answer these questions, and develop a more rounded view, other documentary evidence was reviewed. For instance, the Proofs of Evidence raised numerous questions regarding the two Neighbourhood Renewal Assessments (NRAs) carried out in the case study area. Hence, all the available NRA documents were examined and used to either verify or falsify the Proofs of Evidence. In this way, *all* of the documents for the public inquiry were reviewed.

The documentary evidence from the public inquiry provides the basic narrative of intervention by HMRP. However there was an awareness that such evidence presents only one version of events; the view of officers. Following Lefebvre's work on *The Production of Space* (1991), it was noted how professionals, such as urban planners, have a different conception of space from those who live in that space. Resident views based on 'lived' space, loaded with 'shared experiences and interpretations at a profound level' (Liggett, 1995, p.251) may be at odds with professionals' views based on 'conceived' space, 'intellectualised through codified languages of planning schemes and design discourse'. (Dovey, 1999, p.46). Given our theoretical propositions about the empowerment of residents, it was imperative that a resident's account of events was secured, to balance the narrative of professionals.

### ***Resident/activist testimony***

To achieve this balance in the narrative, semi-structured interviews were undertaken with a local resident and a local activist. At the time of the public inquiry, demolition

of dwellings had already started. When it came to planning the interviews, only 5 residents remained in the case study area. The limited number of remaining residents, along with the inevitable sensitivities around their situation, made access to resident interviewees challenging. The aspiration was to interview residents that represented the views of objectors to demolition. The fact that the demolition plans had been subject to a public inquiry made it obvious that not all residents supported this intervention. It was a significant priority that their perspectives were represented. In addition, the hope was to find officers or local politicians that presented an alternative perspective on the decision-making process, as well as residents that did not object to demolition.

In the course of developing the case study, conversations were held with a number of residents, along with consultants active in the case study area. However, many of these conversations were informal and off-the-record and hence could not be included in the evidence base. After many attempts at securing formal interviews, arrangements were made to interview one resident objector, as well as one former local councillor. The latter had objected to the local authority's decision to demolish whilst in his role as ward councillor. The resident interviewee was identified via a colleague at the University of Birmingham, who had previously been in contact with the resident. This resident in turn helped identify further potential interviewees, as a process of 'snowballing' interviewees commenced (Babbie, 2010, p. 193). As such contact with the former local councillor was made. Despite such interviews, no formal interviewing was undertaken with HMRP staff or local authority officers. Contact was made with two officers in 2010 to request interviews. No response was



received to either request. Following this a list of questions was submitted to the HMRP via email. Again, no response was offered. In light of this, the research has a number of limitations (see sub-section 2.8 below).

Semi-structured interviews were used to gather the testimonies of the resident and local councillor. The adaptability of semi-structured interviews was of particular benefit, as it allowed for unforeseen evidence to arise. Given the reliance on documentary evidence from the HMRP and local authority, such flexibility was imperative in allowing different perspectives to surface. The overall result was a richer content than quantitative structured interviews. Such interviews enable interviewees to talk freely and set the pace of the interview (Stone, 1984). It was however necessary for the interviews to have some structure so as to collect evidence directly related to the theoretical propositions and research questions.

A topic guide was developed for each interview. The topic guides opened with an explanation of the research, covered ethical issues of anonymity, quoting and audio recording, as well as the anticipated length of the interview. It commenced with simple, non-emotive questions to make the interviewee feel comfortable. The topic guide was developed around the key research questions for the case study. It ensured that views on the intervention and how it was implemented were collected. In addition, it asked direct questions about the creation of a CLT in that area. An example topic guide is included in Appendix 2.

In collecting and analysing such testimonies, the important role of the interviewer has to be acknowledged. The research has followed Silverman (2005) in his assessment of the role of the interviewer:

‘The assembly of narratives in interviews (or conversations) is always a two-way process. Therefore, we must see the interviewer’s questions not as (possibly distorted) gateways to the authentic account but as part of the process through which a narrative is collectively assembled’ (Silverman, 2005, p.47).

Significant attempts have been made to honestly reflect how the research questions and theoretical propositions guided the interview structure. This has purposefully led to the emphasis of certain evidence, specifically that which enables the research questions to be answered, or the theoretical propositions to be verified or falsified.

The interviews were recorded so that transcripts could be prepared. The transcripts were coded to segment the data, and a number of themes emerged. When coding the data, specific attention was given to evidence that validated or falsified the documentary evidence from the public inquiry. In writing up the case study, resident testimony has been used where it is at odds with, corroborates or adds depth to the documentary evidence.

### ***Local media coverage***

The above two data sets contrasted markedly in reference to certain HMRP activities. Differing sources and data collection methods had secured differing perspectives on

the HMRP's intervention. However, in order to triangulate the data a third source and type of data set was required. To meet this need a decision was taken to analyse local media and press coverage of the demolition in the case study area. Such data offered two benefits; firstly, it provided a non-professional perspective, and gave an indication of the wider community's views of the intervention; secondly, as the public inquiry evidence covered the period 2002-2008 there was a gap in evidence from 2008 onwards. Local media coverage offered a recent account of events in the case study area, and filled the gaps in the chronology of the intervention.

The main source of such data was the local newspaper, the Stoke Sentinel. To gather all the content on the case study, searches on key phrases were undertaken to identify relevant articles; 'Slater Street' and 'demolition'. Each article was reviewed, looking specifically for alternative perspectives on the intervention. A number were found, and have been used in the case study report. In addition to reviewing individual articles attempts were made to trace a 'conversation' through the articles, to see if a general view was presented (Sacks, 1992). It emerged that most coverage criticised the intervention, and this was factored into the interpretation of the evidence.

## **2.8      *Limitations of the research***

The limitations of this research relate primarily to the quantity of interview evidence that could be gathered. The challenging and sensitive nature of housing demolition, made setting up interviews difficult. The lack of interview evidence from HMRP or local authority officers means that some of the 'off-the-record' views of decision-

making have been missed. In addition, having conducted only two interviews with objectors (one resident and one activist) arguably too much weight has been given to the views of a few individuals. This potentially biases the study toward their perspectives, and misses alternative resident views. It is hoped that in triangulating data this potential limitation has been mitigated.

The study does not allow for statistical generalisation. It is not permissible to suggest findings hold for all HMRP demolition areas and that they will have predicative accuracy in all such areas. However, such learning can be applied and translated for similar contexts, and this is its practical use. This issue of generalisation is addressed in the conclusion.

## CHAPTER THREE: EXPLORING HOUSING MARKET RENEWAL

As detailed in the previous section, the research was initiated with a broad review of the literature relating to the HMRP programme. This chapter presents some of the key learning from this literature review, which is drawn on throughout the rest of the thesis. To set some parameters around this literature review three research questions were developed:

- What were HMRPs a response to?
- How were HMRPs conceived?
- How have HMRPs intervened?

The sub-sections below correspond to these research questions. Sub-section 3.1 presents some of the broad socio-economic, policy and housing market context for the HMRP programme. Sub-section 3.2 describes the rationale and objectives for HMRPs and the initial inception of the Pathfinders. Finally, sub-section 3.3 explores the interventions made by HMRPs, focusing down on their demolition activity.

### **3.1     *What were HMRPs a response to?***

At the turn of the new millennium, as the first notions of the HMRP programme were emerging, the UK was experiencing its longest period of economic growth since the end of the Second World War (Cole and Nevin, 2004, p.6). This growth had been coupled with stability; analysis of the UK's Gross Domestic Product (GDP) and inflation rates shows that since 1992 the UK had experienced stability that has not

been seen since 1945 (Benati, 2004, p. 714). The resilience of the UK economy to global affairs and the flexibility of its labour and product markets were cited as reasons for such 'impressive' performance (OECD, 2005). But whilst the national picture was positive, the benefits of a healthy economy and increasing prosperity had not been received uniformly. Geographically and socially, the windfall from economic growth was being unevenly distributed, a common feature across western economies (Anderson, 2001). The national picture hid pockets of intense deprivation and economic decline where unemployment and a plethora of other social issues were prevalent (Kearns and Parkes, 2003, p.828). The HMRP programme, in conjunction with other New Labour regeneration initiatives, was part of the solution to this pocketed deprivation.

Within the context of this economic climate, urban areas throughout the UK had experienced dramatic change in the fifty years preceding the development of the HMRP programme. The movement of residents away from urban areas, and the decline in traditional industries, meant that cities were now very different places to live and work. In the North of England, out-migration from cities had been a prominent feature and this can be traced back to the economic restructuring that they have undergone:

'Between 1930-2000 Liverpool experienced a total population loss of 49%...The impact of the decline in port related activities and the manufacturing sector, particularly in the 1980s is evident from the economic circumstances of the local population ' (Nevin, 2005, p.5).

Population loss and changes in the economic structure of the UK were inextricably linked. Deindustrialisation can be cited as the primary cause for such extensive population loss. The new global market for products and services gave rise to competition in certain sectors that UK businesses could not match. As a response, the country began restructuring its economy away from manufacturing to knowledge based industries. Such economic change has brought attitudinal changes. The historic scenario of living and working in one community became steadily outdated as resident mobility has increased. A concise expression of this is the gradual increase in travel to work times. The number of people in England travelling over 30 kilometres to work increased by 336,340 between 1981 and 1991(NOMIS, 2006). From the 1960's onwards, more and more people were choosing to live further from their place of work, widening their horizons in terms of where they settled. This in turn led to changes in the purchasing behaviour of house buyers, who increasingly aspired to rural/non-urban settings and lifestyles. Such residents, who historically would have dwelled in the inner core of cities, were abandoning these areas and leaving an over-supply of housing.

But such 'counter urbanisation' (Champion, 2001) cannot be seen as a late twentieth century phenomena. Tony Champion argues that, generally speaking, the UK has been moving toward a counter urbanisation position since 1901 (allowing for short shifts to and from urbanisation in the 1920s). In Champion's terms, such a scenario is denoted by prevalent movement of people to intermediate (medium sized) towns and cities. With the exception of the growth in large settlements in the 1920's, the

UK has been in a steady shift toward counter urbanisation since this time (Champion, 2001, p.17). On a shorter time frame, migration patterns were revealing. Net migration from the North of England in the period 1991 to 1996 stood at -56,600 (Holmans and Simpson, 1999, p.12). Prior to 1994 migration from the North of England to the South ran at relatively low levels, but this had significantly increased by the mid-1990s (Holmans and Simpson, 1999, p.71). Such movement of peoples was posing a challenge for UK policy makers. The New Labour government had set itself the task of 'extending opportunities to every corner of the UK [and]...building strong and safe communities' (Blair, 2005, p.5). HMRPs can be seen as part of the response to the oversupply of housing, the depleting populations and the worsening economies of northern 'corners' of the UK.

One of the catalysts for such changes in attitude and migration was public policy, which actively facilitated residential movement out of the 'inner core' of cities. The New Towns Acts, the first in 1946, laid the foundations for a period of intense out-migration from Northern cities. These Acts, along with the Town Development Act promulgated the development of new settlements such as Runcorn, Skelmersdale and Knowsley whose expressed purpose was to receive the overspill from Liverpool (Farmer and Smith 1975, p.152). Such policies sought the development of discrete settlements, halting the potential expansion of cities via their peripheries:

'...residential densities in the central areas of some of the greater cities needed to be drastically reduced without resorting to the expedient of uncontrolled peripheral expansion' (Farmer and Smith, 1975, p. 165)



As suggested above, the decline of northern UK cities took a number of decades to unravel. The HMRP programme can be seen as, in part, a response to this longer term legacy. Responding to conditions in urban areas an Urban Taskforce (1999) was created. This taskforce was created by the New Labour government to explore the reasons for urban decline and 'establish a vision for our cities' (Urban Task Force, 1999). It identified specific urban challenges relating to the 'decline of regional inner-city areas and communities [and]...suburban sprawl consuming greenfield sites at an alarming rate, causing social and economic decline within inner-city areas'. In response it made several recommendations related to building design, social wellbeing, environmental issues and the frameworks to deliver an 'urban renaissance'.

This focus on cities was being coupled with a drive toward neighbourhood renewal. In 2001 a National Strategy Action Plan for neighbourhood renewal was created and aimed to co-ordinate the renewal effort in the neighbourhoods showing the highest levels of deprivation. Supporting this was a substantial pot of funding equating to over £800m. The strategy acknowledged the decline of certain urban neighbourhoods 'over the past twenty years' and that basic quality of life in such areas had become 'increasingly detached from the rest of society' (Social Exclusion Unit, 2001, p.7). Two underpinning objectives were set; to tackle worklessness, crime, health, skills, housing and worsening physical environment; and to narrow the gap between the 88 poorest neighbourhoods and the rest of society on these measures (Social Exclusion Unit, 2001, p. 8). The drive toward neighbourhood

renewal gave added prominence to the concept of neighbourhood. Power and Wilson (2000) argued that neighbourhoods are constructed of three interlocking aspects; the home and its immediate surroundings; services and facilities such as schools and shops; and the wider neighbourhood environment. It is suggested that the government's post-war urban policy had impacted on these 'aspects' unlocking them at the ultimate expense of their stability. Indeed, by the mid-2000s the concept of neighbourhood renewal had become central to efforts to improve urban areas, and influenced (though did it not define) the development of the HMRP programme.

The move toward neighbourhood renewal had at its heart a set of measures of deprivation. The Indices of Deprivation (ONS, 2004) produced in the early 2000's gave policy makers and regeneration practitioners a new lens through which they could target their intervention. The areas identified by The Indices as the most deprived came as no surprise to practitioners, who had seen the manifestations of deprivation for a number of years. The Housing Corporation (2006) analysed indicators of deprivation in the 1981, 1991 and 2001 Censuses, and concluded that the level of deprivation in English cities has not changed across this period, but the 'footprint' of deprivation had altered. Some commentators would argue that in the poorest neighbourhoods the footprint of deprivation has been firmly fixed for several decades (Atkinson and Kintrea, 2002, p.152). Indeed, it was the embedded nature of deprivation in certain areas that led the government to declare:

‘...over the last generation...the poorest neighbourhoods have tended to become more run down, more prone to crime and more cut off from the labour market’ (Social Exclusion Unit, 1998, p.9).

The HMRP programme was not a direct response to deprivation, it was actually a response to specific abnormalities in housing markets and conditions. Nonetheless, these broader conceptual trends influenced the HMRP programme, and created dichotomies for policy makers when planning the structure and focus of it.

The abnormalities in the housing market in the late 1990’s were manifest in the booming of demand in some areas and market failure in others. Some commentators were expressing concerns about housing affordability, particularly in the south of the UK. In certain areas house price growth had outstripped the growth in household incomes, leaving the ratio of house price to income at some the highest levels witnessed in recent times (Cole and Nevin, 2004, p.6). A step change was required in house building in the South East which, as a result of the land use planning system, had been significantly constrained. In Greater London, housing completions in the private sector nearly halved between 1970 and 2003 (London Housing Board, 2005, p.32) leaving a shortfall in supply. Yet at the same time certain areas of the North of England showed signs of housing market failure. Policy makers in the North West, North East and Yorkshire and the Humber were beginning to recognise the urgency of the ‘low demand for housing’ situation. The shortage of homes and worsening affordability in the South, coupled with an apparent over-supply of homes in the North, led some prominent thinkers to suggest that the market

was in an abnormal state (Barker, 2004). The HMRP programme was a direct response to this housing situation in the north, and was being coupled with ambitious house building targets to speed up development in the south.

In areas of Manchester, for example, the pace of change in the housing market was dramatic toward the end of the 1990's. Over a five year period, vacant social housing in areas to the north of Manchester city centre increased by 25%. At the same time, these same areas witnessed a 40% drop in house prices (Lee and Nevin, 2003, p66). In other areas, increasing levels of housing need and a lack of new build properties was ensuring that demand for housing did not completely stall (Bramley and Pawson, 2002). Such affordability issues were limiting abandonment and the complete collapse of demand. However, in areas such as those in Manchester described above, affordability was not an issue as property prices were very low. The house price to income ratio for the city of Manchester was only 2.17 in 2003 (Wilcox, 2003, p.19), in stark contrast to some southern cities such as Bristol which had a ratio of 4.79. Yet simply suggesting that affordability was a concern for the south of England failed to explain the diversity of housing markets in the north. For instance, some areas of Greater Manchester had stable and even increasing housing demand. The picture was a patchwork of booming and failing markets.

Hence the HMRP programme was conceived as a response to specific housing market abnormalities. In the late 1990's many housing practitioners and commentators were becoming attuned to these abnormalities. Social housing landlords had begun to report that their attempts to address the condition, size, type

and marketing of their stock were proving ineffective. Waiting lists for general needs housing had either markedly declined or become non-existent (Ferrari and Leather, 2006). As Ferrari and Leather state;

‘The emergence of ‘low demand’ as a housing policy concern was first signalled by the detection of various processes that clearly challenged conventional housing management wisdom.’

The tenure profile of housing in Northern cities did not aid the situation. The disproportionate level of social housing in cities such as Liverpool (where it constituted approximately 40% of the stock in 1997) is said to have contributed to high void rates in this sector (Lee and Nevin, 2003, p. 68). Another expression of low demand for housing was seen in the high turnover rate of housing. Lee and Nevin (2003) revealed a number of ‘enumeration districts’ in Liverpool that were at risk of abandonment as a result of their high void levels and turnover rates. Using an analytical framework, established through broad analysis of a number of urban areas that had suffered abandonment, it was acknowledged that 50 areas in Liverpool were ‘acute’ in terms of vacancy rates and turnover. Such areas were at risk of, or suffering from, low demand. Perhaps the most worrying of all findings from this work however, was that only 42.6% of properties in these acute areas were subject to some form of public policy intervention.

Whilst low demand was prevalent in the social sector in the late 1990s/early 2000s, the private sector also showed clear signs of this symptom. The cross-tenure nature

of the issue suggested a deep seated and pervasive cause, potentially beyond the narrow realm of housing. The ineffectiveness of traditionally successful techniques for enhancing demand, in the social sector, only served to reaffirm that 'abnormal' forces were at work. Perhaps the most challenging issue for practitioners and academics was that low demand for housing was not specific to a tenure type or a specific region. This made responsive and targeted action difficult. Holmans and Simpson (1999, p. 72) were some of the first to note the cross-tenure and inter-regional nature of low demand. Their analysis of the number of new dwellings being created in the North and South of England (in 1996, 1997 and 1998) revealed comparable levels of development. Low demand for housing was clearly not an issue for the whole housing market in the North of England, and patterns of low demand could not be expressed through simple North / South delineations. Holmans and Simpson argued that:

'Low demand for social rented housing in some places does not demonstrate, as yet, weakened demand for housing overall in the North of England...Older houses in less popular neighbourhoods do not compete with new houses, for which demand remains fairly strong' (Holmans and Simpson, 1999, p. 72).

It was such market abnormalities, across tenures and across regions, that led some commentators to cite 'structural' problems in the UK housing market (Ferrari and Leather, 2006, p.6), and the need for appropriately devised 'investment frameworks' to deliver market renewal (Lee and Nevin, 2003, p.81). Citing a complex system of factors, Bramley and Pawson (2002) provided a number of explanations for the

increasing incidence of 'difficult to let' and low demand for housing in traditionally stable communities:

1. Broad regional and sub-regional trends affecting the housing market  
(particularly migration)
2. Changes in perceptions, and popularity of, social housing
3. Micro-social process (including crime, nuisance, stigmatisation etc)

It was argued that a more strategic approach was required at a broader spatial scale. Such an approach would go further than tinkering at a local level, with such things as local housing policies or housing management operations. Local authorities would have to adopt partnerships at a sub-regional level. This would help them act at a spatial scale that better reflected the boundaries of housing markets (Nevin et al, 2003, p.117).

Such an analysis drove the development of the HMRP programme, but it was not the only analysis of the problem at this time. Some commentators suggested that the problem at hand was not low demand, but changing demand (Bramley and Pawson, 2002). Given the increasing movement of low income households into the private sector (as a result of the availability of housing benefit for this) Murie urged social housing providers to change their 'product' in order meet the changing demands of tenants and potential tenants (Murie et al, 1998).

### **3.2      *How was HMR conceived?***

As a response to this context the HMRP programme was conceived. Its earliest expression is found in a number of research reports published at the start of the 2000s. Studies such as *Changing Housing Markets and Urban Regeneration in the M62 Corridor* (Nevin et al, 2001) and *Changing Demand for Housing: Restructuring Markets and the Public Policy Framework* (Lee and Nevin, 2003) set out the case for HMRPs. The first of those reports (henceforth the M62 study) was aimed at identifying those areas along the M62 motorway most *at risk* of changing demand for housing. Analysis of a number of factors helped establish, at the neighbourhood level, those areas with the biggest risk of changing demand, and therefore having the greatest potential to suffer low demand. The six factors deemed to be important in assessing the risk of changing demand for housing were:

- the prevalence of rented or low quality housing;
- the existence of large scale, uniform housing (e.g. houses of the same tenure or 2/3 bed houses);
- the presence of outdated housing of a specific type (e.g. high rise flats);
- demographic characteristics affecting demand; and
- concentrations of economically inactive or unemployed people

The M62 study suggested that approximately 280,000 households were contained in areas at risk of changing demand. On the basis of the evidence the report called for the creation of a 'Housing Market Renewal Fund' (Nevin et al, 2001) which would 'finance long term strategies to renew the housing market'. The authors claimed that



without this strategic action the continued high turnover of properties would jeopardise other neighbourhood-based regeneration. Indeed it was suggested that the Labour government's broader aspirations in terms of addressing social exclusion could not be met without action on the housing market, which was exacerbating 'social polarisation'. In addition to these recommendations made to government, the authors suggested that local authority powers be enhanced to compel private landlords to maintain properties, and enable social landlords to financially support home improvement. The authors also called for a new system of valuation of properties in clearance areas, seemingly to enable local authorities to acquire properties at a lower purchase price:

'Open market value compensation should be reviewed and replaced by the concept of 'recent actual market transaction cost' in areas which have experienced market collapse' (Nevin et al, 2001, p.121).

The growing weight of evidence regarding 'low demand' led the Labour government to formally acknowledge the need for action. In their plan *Sustainable Communities: Building for the Future* the ODPM noted the significance of 'serious housing shortages in London and the South East and the impact of housing abandonment in places in the North and Midlands' (ODPM, 2003, p. 3). Adopting a number of the recommendations put forward by the 'M62 study' this plan established Housing Market Renewal Pathfinders (HMRPs) in nine of the urban areas showing the most severe signs of market failure. Financing this initiative was a Housing Market Renewal Fund which was to provide up to £500m over the first three years:

'Pathfinder strategic plans will entail radical and sustained action to replace obsolete housing with modern sustainable accommodation, through demolition and new building or refurbishment. This will mean a better mix of homes, and sometimes fewer homes. There will be no blueprint. The problems differ in the nine pathfinder areas; the solutions will too' (ODPM, 2003, p.24).

Acting at a broad housing market level and on the basis of strategic plans would ensure problems were 'tackled permanently and not just displaced' (ODPM, 2003, p.24). Certain features of the programme would mark it out from previous interventions. Improvements to the compulsory acquisition system would provide powers for meaningful and efficient action, partnership with the private sector would be encouraged, and strong planning based on robust evidence would be at its core. Such was the difference in the housing markets of each of the nine pathfinders that a 'hands off' approach would be adopted by government (Audit Commission, 2005, p.2). Such devolved approaches, it was said, would allow for local innovation and tailored action.

When the HMRP programme is juxtaposed against other regeneration initiatives, a better understanding of its rationale and defining features is appreciated. Over the preceding 50 years interventions aimed at regenerating areas have fluctuated between 'demand-side' and 'supply-side' approaches. In this sense they have prioritised either people-based interventions (demand-side) or physical place-based interventions (supply-side). Following the large scale demolitions in the 1960s,

regeneration policy began to focus on renewal and tackling the physical issues related to housing. General Improvement Areas and Housing Action Areas targeted resources at improving owner-occupied properties. In conjunction with this Estate Action invested resources in the refurbishment and management of social housing. Akin to such initiatives, the HMRP programme was conceived as addressing supply-side issues; removing obsolete housing in poor condition, and where appropriate, replacing it with better designed and more desirable properties.

The programme was conceived during a period that had largely focused on demand-side regeneration. Initiatives such as the Single Regeneration Budget (SRB) and City Challenge sought to focus effort in the education and skills development of communities. HMRPs were, in part, a response to the deficit of such programmes. SRB had failed to take account of housing issues and had served to increase tenancy turnover as communities acquired new skills and sought greater opportunities elsewhere (Lee and Nevin, 2003, p.73). In essence, critics argued that SRB enabled residents to increase their wealth and opportunities, which in turn gave them the capacity to migrate and vacate property in the area. It was claimed that further economic regeneration would merely have 'lead to the deterioration in popularity of the worst neighbourhoods'. HMRPs were hence devised to address this legacy, and specifically the legacy of abandoned housing.

As the HMRP programme was being designed, new and predominantly demand-side interventions were being conceived under the Labour government's neighbourhood renewal programme. The establishment of New Deal for Communities (NDCs) in 39

areas represented aimed to transform neighbourhoods holistically, across issues of housing, crime, physical environment, as well as health, education and worklessness (CLG, 2010). Despite the issue of housing being a theme, NDC's were not intended to be the solution to all the symptoms of low demand. The HMRP programme was conceived for the very fact that neighbourhood based regeneration failed to address housing market failure at a sufficiently broad spatial scale:

‘...neighbourhood regeneration needs to be integrated within a strategic investment framework designed for a much larger spatial scale’ (Lee and Nevin, 2003, p.81)

In line with such thinking, and in awareness of some the failings of previous regeneration initiatives, the government proposed a programme of housing market renewal. This signaled a change in philosophy and policy:

‘The reliance on short-life, special initiatives and projects appears to have been replaced by a more ‘strategic’ approach that emphasises the role of mainstream government and public sector activity in determining the trajectory of neighbourhoods ... the new policy advocates a ‘multilevel’ approach, in which the importance is recognised of governance arrangements operating at a range of spatial scales’ (Hastings, 2003, p. 85).

HMRPs represented a move toward supply-side interventions which contrast markedly with many of the demand-side interventions that were running at the same

time. Whilst communities would need to be engaged, skills programmes developed and jobs created, the imperative for HMRPs was to address poor physical environments and obsolete housing.

As initially conceived, the HMRP programme was intended to be 'strategic' and operate at wide spatial scales. But at a time when the concept of neighbourhood was 'king', questions were asked about whether the programme was being conceived as a locally or nationally focused programme (Ferrari and Leather, 2006). Such a dichotomy presented problems for the programme. Suggesting it would be a neighbourhood-based programme conflicted with HMRPs' intended role as strategic market shapers. But operating at this wide spatial scale, in a strategic manner, would mean deciding which individual neighbourhoods were sustainable and which were not. Such processes sat uncomfortably with advocates of neighbourhood-based regeneration.

Justification for the HMRP programme was found in numerous places. Theories around 'area effects' seemed to support the notion of more strategic action:

'...independent, separable effects on social and economic opportunities which arise from living in a particular neighbourhood' (Atkinson and Kintrea, 2002, p.147).

Atkinson and Kintrea (2002) asserted that a number of issues arising from area effects needed to be addressed through current interventions; segregation, the

residualisation of the social housing sector, the impermeable nature of neighbourhoods and community based approaches to regeneration. The authors argued for the removal of the income inequalities that perpetuate societal segregation. Linked to this there was also a need to diversify mono-tenure housing areas, further de-segregating populations and mitigating the poor image of social housing, as well as improving transport links to enable the in-flux and out-flux of people. Such outcomes would not be achieved through community-based regeneration and community development. Such approaches, it was argued, could exacerbate an area's effect, lending weight to the idea of co-ordinated action at a large spatial scale (Atkinson and Kintrea, 2002, p.161).

Such a strategic role inevitably meant that HMRPs would increasingly be linked to economic development. In the early 2000s commentators were stressing the importance of housing in economic development:

'Good quality aspirational housing is increasingly a driver of economic success rather than a consequence of it. Cities that want to be in a position to adjust most effectively to the knowledge economy are those cities which provide attractive places for middle and higher income households to live' (Lee and Murie, 2004, 243).

The issue of how the conception of the programme changed over time is explored later in the thesis, specifically with relation to economic development.

### **3.3      *How have HMRPs intervened?***

The following sub-section is intended to give a summary of HMRP interventions in light of the discussion above. It is not a complete picture of how HMRPs have intervened, but highlights key areas of activity over the course of the programme from 2003 to 2010.

#### ***3.3.1. The initial years of the programme***

As noted in the above sub-section, the HMRP programme was conceived as a mechanism for addressing obsolete housing, through demolition, rebuild and refurbishment (ODPM, 2003, p.24). Early assessments of how the HMRPs were intervening suggested this is indeed what they were doing, combined with other more demand-side interventions (Audit Commission, 2005, p. 14-15):

- Clearance of surplus housing and site assembly
- Physical improvements to existing housing
- Schemes intended to improve social cohesion and human capital

In their first two years, HMRPs started to refurbish, acquire and demolish properties, albeit on a much smaller scale than would later be seen. For instance the North Staffordshire HMRP, named RENEW, refurbished 139 properties, demolished 234 and acquired 217 by the end of its first two years (RENEW, 2005). Other HMRPs had intervened on a bigger scale during these years, and with more of a focus on house building and refurbishment. MSP, Manchester and Salford's HMRP, estimated that by 2006 it would have refurbished 7,120 properties, built over 3,107, whilst only

demolishing 1,726 (MSP, 2005). Despite these differences in scale, it appears that a substantial amount of spending by HMRPs was being put into land acquisition during this time; Bridging Newcastle Gateshead being one example who spent £11.6m of its initial £28m grant (41%) on such costs (Audit Commission, 2006). In their early years, most HMRPs were investing significant effort in masterplanning, neighbourhood renewal assessments, heritage assessments and community consultation (Newheartlands, 2005; RENEW, 2005). This period can be therefore be seen as the HMRPs finding their feet; building their housing market intelligence and governance structures, developing and securing consent for plans from the community and testing their proposed interventions.

The Scheme Updates, submitted to government in 2005, show that HMRPs intended to focus much their HMR monies on clearance related activity. RENEW's Scheme Update shows that it intended to spend approximately 60% of its HMR funding for the period 2006-08 on acquisitions, demolition and resident relocation costs (RENEW, 2005). Similarly, New Heartlands (2005) and Oldham and Rochdale's HMRP (2005) intended to spend 60% and 58% respectively of their HMR monies on clearance and site assembly. The amounts of HMR money earmarked for refurbishment by these HMRPs in 2006-08 ranges from 18% to 1%. It is clear, therefore, that for the period 2006-2008 the pathfinders would concentrate their HMR funding on clearance. Despite this, by 2006 HMRPs were reducing estimates for the total number of demolitions by approximately 30% (Audit Commission, 2006). It is somewhat of a paradox that funding was being targeted at demolition, but plans for such activity were being scaled back. This paradox is returned to later in the sub-section.



It was at this time, following the Scheme Updates, that the Audit Commission released its first Annual Review (2006) which highlighted a number of concerns that the HMRPs were not implementing solutions that were markedly different from previous interventions. In light of the theoretical basis on which the HMRP programme was founded and the focus on the structural issues in the housing market, the Audit Commission was critical of the implementation of 'off the shelf' interventions by pathfinders. A number of planned activities seemingly lacked a bigger picture rationale (Audit Commission, 2005, p.2). Despite positive strides being made, recommendations from the Audit Commission included the need for strong visions, improved project commissioning and a commitment to demonstrating value for money.

Despite such criticisms, the Audit Commission was also pointing to effective methods HMRPs had developed for aligning their policies with partners, particularly at a sub-regional level (Audit Commission, 2006). The HMRPs were also receiving increased praise for their community engagement work. In 2006, the HMRPs were deemed to be increasingly 'working with communities', and undertaking 'more thoughtful engagement'. HMRPs were also being applauded for the increasing depth and richness of their housing market intelligence and how this had been integrated into their planning, along with their governance arrangements to improve the transparency of decision-making (Audit Commission, 2006). Such governance arrangements and market intelligence were enabling the HMRPs to respond quickly

and appropriately to changing contexts, specifically increasing demand and affordability (Audit Commission 2006).

### *3.3.2. Changing context and focus*

Such responsiveness was a key strength as the boarder context for HMRPs began to shift in the mid-2000s. Shifts in policy direction and housing market dynamics meant that the programme had to evolve to match these. In contrast to the strong language used to prioritise action on 'abandonment' in 2003, the emphasis appears to shift in 2005/06 to market revival and restructure, as affordability issues – as opposed to low demand – became more prevalent. The national evaluators of the HMRP programme were pointing to the need for HMRPs to develop 'new practical measures to support residents...in particular, to tackle the growing problems of affordability' (CLG, 2007c). Analysis showed that house price to earnings ratios had increased by 41% for the HMRP areas between 2002-2006 (Nevin and Leather, 2007). Some might have suggested that this was the direct result of HMRP interventions. House prices had risen in HMRPs since the programme's inception, and 'the gaps between the pathfinder prices and the wider market were closing' (CLG, 2007c). Nonetheless for a programme established to tackle low demand, it was an oddity that the HMRPs were dealing with issues of affordability. HMRPs were urged to respond to this changing context.

In addition to this driver, HMRPs had to adapt to changes in policy direction. When the HMRP programme was conceived there were no clear links made between the activities of HMRPs and economic development. Indeed there is no mention of

economic development in the government's launch of HMRPs in the Sustainable Communities Plan. However, by the mid-2000s the ambition of creating sustainable communities was conjoined with a second aspiration; to develop a knowledge economy (Raco, 2008). This newer theme began to influence the direction of regeneration programmes, as the notion of 'place-shaping' (Lyons, 2007) found traction with policy makers. By the mid-2000s the North of England had its own 'vision', expressed and organised under the banner of The Northern Way, which was making explicit links between regeneration programmes (such as HMRP) and the economic vitality of northern cities:

'Overall, the quality of housing is simply not good enough to support the North's economic potential, nor to achieve sustainable patterns of development in northern towns and cities' (Northern Way 2004, p. 54).

By 2008/2009, evidence was showing that the HMRPs were responding to these two contextual factors; affordability and place shaping. Following on from its major 2006 review of the programme, the Audit Commission delivered its next round of findings in 2009. These highlighted how HMRPs had 'increased [their] focus on affordable rented housing and other forms of low cost home ownership' (Audit Commission, 2009). In addition it noted how HMRPs were becoming 'forerunners of the place-shaping' agenda and doing the strategically important job of linking housing and the economy (Audit Commission, 2009). Analysis of data relating to all the HMRP areas showed house prices narrowing the gap with comparator areas, fewer empty homes, and growing populations. The Audit Commission were suggesting that there was

much to learn from HMRPs in how places could be 'shaped' (Audit Commission, 2009).

In 2009 there were also signs that the effort invested in community engagement had provided a platform on which to develop the programme. The Audit Commission's report highlights that community capacity building was being undertaken by HMRPs, though it seems that the focus of this was on building capacity for employment rather than active involvement in the programme (Audit Commission, 2009). Nonetheless, this sense of better engagement of communities was echoed by Select Committee reports that suggest that HMRPs were 'using innovative methods to develop schemes in collaboration with communities' (ODPM, 2006b). Deeper analysis of the Select Committee report shows praise for methods such as Enquiry by Design, a technique for opening up debate about design and planning of development. Summing up the progress made by HMRPs since inception, the Audit Commission stated:

'Impressive ground work has been laid – systems, governance arrangements, staff, plans and programmes are in place and sites have been cleared. New build is being delivered, confidence boosted, expectations heightened and community and other capacity built. Issues around heritage, the scale of demolition and community engagement are also being tackled' (Audit Commission, 2009, p.4).

### *3.3.3. The impact of recession*

Despite such positive messages the Audit Commission noted how changing market conditions, relating to the global financial crisis, would 'test the pathfinders' (Audit Commission, 2009, p.7). It would result in a slow-down in house building by the HMRPs and a widening in the gap between HMRP house prices and those in the wider market. Indeed the recession was having such an effect on HMRPs that the indicators by which the programme was measured were to be renegotiated (New Start, 2009). The recession, and subsequent slow down in the housing market, created another issue that HMRPs would need to respond to; the threat of cleared sites remaining undeveloped:

'New homes have already been built on some of these sites, and private developers and housing association partners were poised to make a start on many more. However, the downturn in house prices and the drop in the number of sales since mid 2007 have forced a retreat in these areas' (Audit Commission, 2009, p.18)

Media commentators were highlighting the threat of recession to the programme, noting that 'HMR was losing momentum as money from private developers dries up and public funding cuts loom large' (Guardian, 2010). Crucially, articles such as these were making connections between the recession and the substantial demolition undertaken by HMRPs. Questions were being asked about the prudence of clearance and site assembly as the housing market stalled.

#### *3.3.4. Demolition: one element of the programme*

The literature review has revealed that, irrespective of how the context for HMRP changed, and however much the interventions of HMRPs moved away from demolition, the issue of demolition remained contested and a consistent area of debate. Evaluators and supporters of the programme have firmly argued that demolition is only one element of the programme, which has not only been substantially scaled back during the life of the programme, but which is also comparably small in contrast to post-war demolition activity (Leather, 2010; Nevin, 2007). Recent evaluations of the HMRP programme echo this sentiment, and point to the political, inflammatory nature of the debate:

‘Media comment focused almost exclusively on one element of the programme; the proposals for the demolition of a limited amount of privately owned terraced housing in a limited number of pathfinder areas’ (CLG, 2009d. p.6)

Is demolition a major part of how HMRPs have intervened? CLG’s national evaluation (2009) presents the programme outputs to 2007 and those proposed until 2018. As can be seen in Figure 2 below, the total number of properties planned to be demolished between 2003-2018 will be 55,947. The total number of properties to be built is 66,310, whilst 98,286 will be refurbished.

Figure 2: HMR outputs

| <b>Table 1: Actual and proposed programme outputs</b> |                                   |                              |                            |                       |                       |
|---|-----------------------------------|------------------------------|----------------------------|-----------------------|-----------------------|
| Activity (HMR funded)                                 | Dwellings affected<br>2003/4–05/6 | Dwellings affected<br>2006/7 | Total<br>2003/4–<br>2006/7 | Proposed<br>2007–2010 | Proposed<br>2010–2018 |
| Demolition  | 8,053                             | 2080                         | <b>10,133</b>              | 12,355                | 34,459                |
| New build   | 159                               | 210                          | <b>369</b>                 | 7,572                 | 9,782                 |
| New build on land made available                      | 300                               | 535                          | <b>835</b>                 | 12,023                | 35,729                |
| Refurbishment (Decent Homes standard)                 | 7,630                             | 762                          | <b>8,392</b>               | 2,647                 | 10,039                |
| Refurbishment (not to Decent Homes standard)          | 23,014                            | 6165                         | <b>29,179</b>              | 19,958                | 28,053                |

In terms of the number of properties or land receiving an intervention, demolition is certainly only ‘one’ element of the programme. Indeed, HMRPs will oversee a net increase in housing. Nonetheless, it would be misleading to underplay the substantive role of demolition in the programme for two reasons; firstly, the demolition of nearly 56,000 dwellings is no small matter, equating to the total housing stock of a small unitary council; secondly, just looking at the number of properties receiving an intervention underplays the proportion of financial investment in demolition by HMRPs. Acquisition, compensation and relocation, demolition and site assembly entails considerable expense. Analysis of a number of HMRP Scheme Updates has shown that up to 60% of HMR funds were being allocated to preparing and delivering demolition schemes. If an assessment of all HMRP spending was undertaken, it is likely that demolition would be seen as *the* major element of the programme in terms of spending. Unfortunately such programme wide spending data is not available.

So demolition is a major part of how HMRPs have intervened, and a substantial proportion of their public money has been and will be spent on it. It must also be questioned whether the proposed amount of new build housing can ever be achieved given the recession, particularly on land made available by demolition. Questions can therefore be asked as to whether a net increase of properties is likely by 2018. Since 2003/4 a total of 16,062 properties have been demolished and 4,069 new builds completed, equating to a net reduction of 11,993 (CLG, 2009b). Questions remain as to whether the programme can achieve the scale of house building required to meet the projected outputs, particularly in light of the slowdown in the housing market.

### *3.3.5. Conclusion*

This literature review presents two key findings. Firstly, that the HMRP programme has had to adapt to changing contexts and new challenges. The housing affordability crisis in the mid-2000s and then the global recession of the late-2000s has meant a changing focus and challenges in delivering objectives. These external factors have been coupled with new policy agendas (such as The Northern Way) that have shifted the requirements of the programme by appending new aspirations, such as economic development. In addition, the need to work within neighbourhoods, whilst strategising across them, remains a persistent tension and challenge for HMRPs. Secondly, the literature review has revealed that demolition is indeed a fundamental part of the HMRP programme, though not its entirety. In being a response to obsolete housing, in being given strengthened powers to acquire housing, and in light



of how HMR money has been spent, the significance of demolition to the programme cannot be underestimated.

Hence, this literature review directs the focus of this study to HMRPs' demolition activity. As the aim of the study is to find ways in which HMRPs can more effectively intervene, this is an appropriate place to start.

## **CHAPTER FOUR: THEORETICAL PROPOSITIONS AND ALTERNATIVE INTERVENTIONS**

Having narrowed the study's focus onto HMRP demolition, and having established the scale of opposition to this activity, it seems prudent to explore this further. It is hoped that an understanding of the objections to HMRP demolition, and the rebuttals of these objections, will provide a more detailed and rounded view of the subject. Indeed, understanding such opposition may reveal the limits of current policy; what is palatable to the public, politicians, campaigners and commentators, and alternatively what is not. From such analysis better forms of intervention may emerge.

It is with the above in mind that the following two research questions were set for this element of the research:

1. What has been the opposition to demolition by HMRPs?
2. What interventions would address such opposition?

Sub-section 4.1 below aims to summarise the opposition to HMRP demolition, trying to juxtapose the differing arguments made by a variety of different sources against demolition. Following this, sub-section 4.2 develops a set of theoretical propositions and alternative models of intervention.

#### **4.1     *The opposition to HMRP demolition***

As the HMRP programme began to take shape and get closer to delivery 'on the ground', commentators were highlighting the opposition to demolition:

'There is a growing recognition that clearance, demolition and relocation are emotive and politically sensitive processes that raise considerable and complex challenge to the Pathfinders' (Cole, 2007, p.1).

Such large scale plans for demolition had created opposition from a variety of sources; communities that were subject to demolition, elements of the national media, campaign groups and politicians. Opposition from such a variety of sources created a complex mix of criticisms and objections. On the basis of a wide ranging review of these, five broad types of objection have emerged:

1. Refurbishment is a preferable intervention
2. Demolition results in the loss of historic townscapes
3. Demolition does not deliver value for money
4. Demolition fails to capitalise existing residents
5. Demolition neglects the empowerment of residents

##### **4.1.1. *Refurbishment is a preferable intervention***

Prime time television programmes such as 'Battle of the Bulldozer' (ITV, 2006) made early connections between the HMRP programme and historic slum clearance

schemes. Battle of the Bulldozer presented examples of demolition that were counter-intuitive, and insinuated that HMRPs had a default preference for demolition. Rather than being the financially prudent course of action in light of stock condition, such demolitions were actually more expensive than renovation. Such investigations corroborated early suggestions made by the File on Four programme (BBC, 2005) that HMRPs were intent on demolition. File on Four revealed potential malpractice in the surveying of local property conditions in East Lancashire. In response to the HMRP's claim that a number of houses in Blackburn and Darwen were 'among the worst in the country', residents commissioned a reputable structural engineer to re-survey their properties. Professor Clancy carried out such surveying and deemed such properties to be devoid of 'any serious problems'.

Such arguments were echoed by SAVE Britain's Heritage. In their response to the House of Commons Committee on the issue of empty housing and low demand pathfinders (2005b, p.49), SAVE noted:

'...so much money has been put towards the demolition of buildings that are essentially sound, decent and lived in by communities rather than towards their renewal'.

Many HMRPs objected to such suggestions and argued that they had conducted robust Neighbourhood Renewal Assessments, which included social, economic and environmental assessments of differing interventions. These assessments ensured that the chosen intervention was the preferred one and economically justifiable

(RENEW, 2008a). However, critics suggested that certain financial rules ensured a preference for clearance and rebuild programmes. Some suggested that Value Added Tax (VAT) rules made refurbishment less preferable. New housing construction was 'zero-rated' in terms of VAT, whilst refurbishment costs were subject to 17.5% VAT. It was suggested that this encouraged demolition, and that a lower VAT rate should be applied to the renovation of properties where it is part of a funded social policy (HCCPA, 2008).

The arguments in favour of refurbishment were boosted by successful refurbishment projects such as that undertaken by Urban Splash in Langworthy, Salford. This 'cuckoo in the nest' as one commentator described it (Jenkins, 2007) gave demolition opponents a real-life example that demonstrated the financial viability of refurbishment. It is hard to determine the impact of this on total demolitions, but the scaling back of demolition plans, and scaling up of refurbishment, suggests it may have been an important factor. Indeed, as HMRP areas began to show signs of improved demand for housing, some were arguing for a presumption in favour of refurbishment:

'If there is strong evidence that the rise in housing demand is sustained and not just the result of an artificial boost to the market due to speculative activity, the Pathfinders should review their demolition programmes as a matter of urgency and concentrate on neighbourhood management and housing refurbishment' (ODPM, 2005d, p.27)

In response, many HMRPs adopted a more measured and sensitive approach to demolition. In planning its future demolition activity Manchester and Salford's HMRP stated the following in its 2008-2011 Business Plan:

'[We are]...increasing our emphasis on activities that avoid the need for new expensive clearance programmes, although in some cases, remodelling will require selective clearance' (MSP, 2008a, p.10).

Such evidence suggests that not all HMRP demolition programmes have the same impacts. Demolition is not always in direct conflict with refurbishment, and some HMRPs have sensitively combined the two.

#### **4.1.2. Demolition results in the loss of historic townscapes**

Linked to the issue of refurbishment, SAVE Britain's Heritage were also arguing for the preservation of certain buildings in HMRP areas, as they formed important historic elements of the UK's townscapes. In their hard hitting report *Pathfinder* (2006), SAVE suggested the programme was the 'largest single present threat to the historic environment...it blights rather than builds confidence'.

Responding to the above issues, the House of Commons Select Committee on Empty Homes and Low-demand Pathfinders (2005) urged caution over the extent of demolition that HMRPs were planning to carry out. The programme, it was suggested, should be wary of intervention that threatens the heritage of certain urban areas and fails to create neighbourhoods of 'lasting value'. This was supported by

the House of Commons Public Accounts Committee (2008) when it stated its recommendation that government should 'not approve demolition proposals that are not part of a wider study of landscape and townscape' (HCCPA, 2008, p. 6). In response to the above, HMRPs began to adopt more rigorous analysis of the heritage assets in their areas. Many undertook discrete heritage assessments, and this level of rigour was praised by auditors (Audit Commission, 2009, p.28). Nonetheless, concerns about heritage remained, and organisations such as SAVE Britain's Heritage continued to challenge HMRPs locally on their supposed destruction of heritage assets.

#### ***4.1.3. Demolition does not deliver value for money***

The value for money delivered by HMRPs had long been a concern of auditors. After four years, the Audit Commission (2006, p.3) was suggesting that HMRPs' thinking on this issue was 'the most underdeveloped'. Some reports suggested that HMRPs were paying substantially over the market value for properties as they sought to take ownership of them for demolition (The Times, 2007). These heavy costs were made more acute by speculators:

'The plan-led system of identifying houses for demolition risks giving speculators a free lunch. They can buy up run down properties safe in the knowledge that the government will buy them out at very least for full market value' (Leunig & Swaffield, 2007).

Indeed, commentators in the national press were noting how properties were being bought up by private landlords and 'filled with people on housing benefit' (Hetherington, 2007, p.1). These speculators were then 'receiving a tidy pile in taxpayer-funded rent' and subsequent compensation when the houses were compulsorily acquired.

But larger worries about value for money loomed, and these related to the long term legacy of the programme:

'However, more homes have been demolished than built and without longer term support, demolition sites, rather than refurbished and improved housing stock, may be the Programme's legacy' (HCCPA, 2008).

As noted above, the financial crisis of 2008/09 meant that in a number of HMRP areas developers were stepping back from cleared sites. This was not only stunting regeneration efforts, but was also raising questions about the value for money of certain types of intervention. The financial crisis came at an unfortunate time, and exacerbated the issue of value for money even further. As house prices fell nationally, developers for HMRP sites either opted out or saw development as too risky (Audit Commission, 2009). Even before the crisis developers and lenders saw HMRP areas as high risk investments, so in volatile markets and in a context of falling house prices, there was even further reticence. Cleared sites that were scheduled for development started to look as though they would remain undeveloped for some time. As such they would provide no return on investment after the cost of



land assembly had been taken by the HMRP. Broader economic conditions were also making negotiations with developers more challenging. To cover the increased risk of investing in HMRP areas, developers were seeking to secure a greater profit margin, therefore squeezing value for money further. Such concerns were seized upon by commentators, who suggested this further validated their argument for refurbishment over demolition (Hatherley, 2010).

In response to such arguments, HMRPs may legitimately have suggested that the recession was helping them secure better value for money. The recession was enabling them to renegotiate contracts with developers and acquire land at a cheap cost (Audit Commission, 2009, p.18). Nonetheless, it seems that the auditor's concerns about value for money in 2006 remained in 2009, as they suggested 'a more comprehensive and sophisticated approach to value for money is still required' (Audit Commission, 2009, p.10)

#### ***4.1.4. Demolition fails to capitalise existing residents***

Leunig & Swaffield (2007) have argued that 'spending significant sums of money on destroying assets' is not an appropriate public intervention. In criticising the demolition undertaken by HMRPs, the authors called for policies that would retain these assets and ensure they are transferred or sold in ways that recapitalise local people. Such proposals raise important questions about who should benefit from interventions such as demolition.

Most owner-occupiers subject to demolition were financially worse off as a result. Subsequent to demolition, many did not have enough capital to find a comparable replacement home:

‘Many owner-occupiers affected by demolition have encountered a substantial affordability gap between the compensation they receive and the cost of buying a new property...The average gap is estimated at between £20-30,000, but may be as much as £50-90,000 for new build developments’ (Cole, 2007).

Even if the provision of financial support packages remedies some these affordability gaps, there remains a question as to whether this outcome is fair. Numerous studies have highlighted the negative personal and social impacts of demolition (Qouta et al, 1998; Friedman, 2010; Harker, 2006). So it is legitimate to ask whether personal financial loss is an acceptable additional impact. Such issues have led some commentators to question who are the intended beneficiaries of HMRP interventions, if these are not existing residents. Attracting new and more economically active populations seems an implicit part of the rationale for some HMRP interventions:

‘These central area neighbourhoods will provide an attractive alternative to the suburbs and market towns for young professionals and their families’ (RENEW, 2005, p.8).

Households with existing wealth would spend their money in the local economy and catalyse broader economic development. Many of these households would be the

'knowledge workers' that were deemed crucial in developing a 'knowledge economy' (Northern Way; 2007, Amin et al., 2000; Raco, 2007). Attracting such 'aspirational and mobile occupiers' was deemed important, and would entail replacing poor quality housing stock with more 'executive' properties (Northern Way 2004, p.54). Allen and Crookes (2009) argue that these broader policy drivers for HMR, and the new 'place shaping' role of local and regional authorities, resulted in a lack of focus on existing populations. Rather than striving to benefit existing residents in deprived urban areas, it is argued that planning and regeneration policies were being geared toward attracting 'a narrowly defined class of creative/knowledge workers' (p.458). This drove a preference for demolition and the displacement of existing communities in favour of new, capitalised communities.

Such suggestions of 'revanchist gentrification' should be tempered however (Rowlands and Murie, 2009). To class all HMRP demolition schemes as purely a process of displacement and gentrification is misleading. Looking at a number of demolition and redevelopment projects shows that in some instances very little displacement takes place. For instance, following the demolition of Welsh Streets in Liverpool, New Heartlands HMRP enabled 105 displaced households to access the 107 properties developed in the nearby Clevedon Park development (New Heartlands, 2010). Demolition does not always equate to the breaking up communities and the gentrification of that area. Rowlands and Murie, (2009) set a challenge for those looking at 'who wins' from regeneration:

‘...to capture the debate about urban renaissance and regeneration by articulating a process of regeneration that would secure real gains for working class and lower-income households, and make this the core issue rather than gentrification’ (Rowlands and Murie, 2009, p.258).

So what classes as ‘real gains’ for such working class households? And how are they secured? Perhaps what is meant by real gains is an improvement in the capital wealth of low income households. If this is the case, then interventions should seek to increase the capital of all households in the intervention area, most likely through home ownership. Over time this would appreciate in value and deliver further benefits. Supporting this idea, research in the United States has shown that homeownership is the single most important route to wealth accumulation (HUD, 1995), and that owned housing is the only real form of wealth that low income households have (Boehm and Schlottmann, 2004). Whilst UK and US contexts do differ, the evidence is compelling; increasing homeownership, or increasing the equity of homeowners, is perhaps the most effective way of increasing the wealth of low income households. Perhaps such outcomes would represent a ‘real gain’. But what if the term ‘real gain’ alludes to more subtle and holistic outcomes? In addition to wealth accumulation, perhaps ‘real gains’ also means improvements in personal wellbeing or social outcomes. Whilst homeownership cannot be seen as a panacea, it may deliver some of these broader social outcomes. It has been shown that homeownership has a positive knock-on effect on the social and psychological wellbeing of those households (Harkness and Newman, 2001; Aaronson, 1998; Rohe and Basolo, 1997; Hiscock et al, 2003). In light of such benefits, it is no surprise that

the Labour government committed itself to 'helping those who aspire to own their own home to do so' (CLG, 2010). Hence the argument for increasing homeownership, or the equity of low income households, is hardly a radical proposition. Recent political commentators have added weight to the argument with more general proposals for increasing the capital wealth of the poorest households. Phillip Blond (2009, p.6) has recently asserted the need for:

‘A new conservative agenda of ownership extension and security is therefore urgently required...a new popular philosophy of asset extension and stakeholder equity capitalism is required’.

Blond highlights ownership of liquid wealth in the UK as an indicator of a decapitalised working class. In 1976, the poorest 50% of the population owned 12% of liquid wealth. In 2003 the 50% poorest owned just 1% of liquid wealth. Such increased wealth, it is argued, leads to some key regeneration outcomes such as improved living conditions, greater mobility and economic opportunity. In a more subtle sense, commentators have pointed to how ownership of such wealth and assets creates a 'responsibilisation' of individuals (Raco, 2009, p.440). Citizens who aspire to such things as homeownership are taking responsibility for bettering themselves, and playing a part in broader improvements in welfare. Whilst arguments can be persuasive, there is a case for coupling such responsibilisation with models for more local collectivisation and mutualism. This issue is covered in the next sub-section.

There is an argument therefore that when HMRPs embark on interventions such as demolition, the prerogative should be to increase capital wealth. In terms of owner occupiers in areas of demolition, rather than leave them with an affordability gap, perhaps HMRPs should actively try to increase their wealth. One way to do this would be to offer a higher price for their home or greater compensation. Another way would be to retain their current home and invest in it to increase its value.

Such a critique of demolition has rarely been articulated in the form above, but a number of organisations and individuals have argued the case that residents subject to demolition are unfairly treated. Some campaigners have called for greater support to access homeownership. Other campaigners have argued that those affected by demolition should take a bigger cut of the financial gains resulting from any rebuild (SAVE Britain's Heritage, 2006). Whilst different in content, such arguments support the general thrust towards a better financial settlement for residents affected by demolition.

#### ***4.1.5. Demolition neglects the empowerment of residents***

The development of sustainable communities was, for some time, the Labour government's major aspiration (ODPM, 2003; CLG, 2007). HMRPs were urged to ensure that whatever future interventions they undertake, 'the format is sustainable in the long term' (Audit Commission, 2009, p.16). A review of the Labour government's definition of a sustainable community, and its 8 core components (CLG, 2009a), suggests that a narrow focus on physical aspects of communities and economic issues will not realise sustainability. Such action must be coupled with efforts to

ensure that those communities are also 'active, safe and inclusive' and 'well run'. Sustainable communities will therefore have the following characteristics (CLG, 2009a):

- a sense of community identity and belonging;
- tolerance, respect and engagement with people from different cultures, background and beliefs;
- friendly, co-operative and helpful behaviour in neighbourhoods
- opportunities for cultural, leisure, community, sport and other activities, including for children and young people;
- low levels of crime, drugs and antisocial behaviour with visible, effective and community-friendly policing;
- social inclusion and good life chances for all;
- representative, accountable governance systems which both facilitate strategic, visionary leadership and enable inclusive, active and effective participation by individuals and organisations;
- effective engagement with the community at neighbourhood level, including capacity building to develop the community's skills, knowledge and confidence;
- strong, informed and effective partnerships that lead by example (e.g. government, business, community);
- strong, inclusive, community and voluntary sector; and
- sense of civic values, responsibility and pride.

Many of the criticisms levelled at HMRP demolition programmes focus on how they have undervalued the non-physical assets in communities such as civic pride, belonging or co-operative behaviours. SAVE Britain's Heritage highlighted this issue succinctly in their written submission to the Empty Homes and Low-Demand Pathfinder Select Committee:

'the approach to change and demolition appears to be based on crude top down statistical view of neighbourhoods – voids, turnover, ownership, value etc. This fails to see beyond the problems that may have little to do with the houses themselves. It also fails to obtain active community input until consultation exercises are carried out late in the day' (in ODPM, 2006b, p.14).

Such a focus on the physical has also been noted by auditors, who suggest that HMRPs have underplayed the importance of local people to the success of HMRP initiatives (National Audit Office, 2007):

'While the opportunity for change is welcomed by many residents, engaging local communities in the renewal plans for their neighbourhoods can be challenging for pathfinders since, by considering housing markets at the sub-regional level, they are starting from a more top-down approach compared to other recent regeneration initiatives which put the local community more in the driving seat of developing and owning the improvements' (National Audit Office, 2007, p.6).



Such analysis suggests that HMRP initiatives may not be empowering communities to play a meaningful role in regeneration. By being 'top-down' they do not afford communities the opportunity to drive change. Yet perhaps this is too simplistic a conclusion to reach. The HMRPs, as noted above, have been commended for their community engagement work by auditors and evaluators. But what do we mean by community engagement? If it is taken to mean thorough consultation and information provision then, as Arnstein's ladder of participation attests (1969), such activities are not creating 'citizen control'.

It is difficult to reconcile the essential nature and purpose of HMRPs as strategic place shapers, with the development of non-physical aspects of a sustainable community. Civic pride and responsibility, a strong identity, co-operative behaviours; these are unlikely to form when overtly 'top-down' processes are applied, and especially where interventions such as demolition displace residents and break down social networks. Supporting such a perspective, local authority leaders in HMRP areas have asserted the importance of 'community'. As the Leader of Liverpool City Council stated, 'you can't rip the heart of the community and promise them something in 15 years time' (Barlett, 2010).

The Audit Commission has urged HMRPs to put the issue of sustainability at the forefront of their minds and to give 'fuller consideration to sustainable development in decision-making' (Audit Commission, 2009). Pointedly this means thinking about the needs of present and future generations and so perhaps this can only be achieved by a fuller involvement of communities in the planning and ownership of interventions.

Good practice guidance for HMRPs, such as that developed by the Chartered Institute of Housing (CIH) (2007) supports this idea. The authors of this publication draw specific attention to community-led activity as a key element of good practice:

‘Supporting independent community initiatives - helping residents to carry out their own plans or community initiatives – for example by grant-aiding or in other ways supporting them, while leaving them in charge of what happens’ (CIH, 2007).

So why should HMRPs be wary of undervaluing a community’s contribution? There are several schools of thought that emphasise the value of community assets, but perhaps the most relevant is co-production. Co-production was defined and developed by Edgar Cahn, in whose writing the concept of the ‘core economy’ is central (Cahn 2001;2004). The core economy relates to an alternative system of value other than monetary. It encompasses the assets and value in the home, family, neighbourhood, community and civil society. By acknowledging the ‘limitation of government efforts to empower people’ because ‘neither markets nor centralised bureaucracies are effective models for delivering public services’ (NEF, 2008), co-production privileges the position of the citizen. The sense here is of the parameters of public interventions, applying models that miss ‘the crucial dimension that allows doctors to heal, teachers to teach and carers to care; the relationship with patient, pupil or client’ (NEF, 2008).

In parallel with such thinking, new methods of harnessing community assets have emerged in the U.S. Asset Based Community Development (ABCD) places an emphasis on community-driven development:

‘...the appeal of ABCD lies in its premise that communities can drive the development process themselves by identifying and mobilizing existing (but often unrecognized) assets’ (Mathie and Cunningham, 2002)

Advocates of such approaches, and those who support co-productive processes, would suggest that interventions such as demolition break up assets within communities, assets such as relationships, kinship and associations. Top down, ‘needs-based’ models mean residents ‘no longer act like citizens; instead they begin to act like “clients” or consumers of services’ (Mathie and Cunningham, 2002). This thinking has a resonance with good practice guidance for HMRPs:

‘...the present and future residents of an area are its biggest asset, and sharing some power with them may also be a way of achieving the HMR goals more readily. If residents themselves have a degree of power over the future... they are likely to be more committed to it and more likely to defend what has been achieved’ (CIH, 2007)

However, this is not just a good practice imperative. There is a broad governmental imperative for communities to be empowered and for all tiers of government to give

‘confidence, skills, and power to communities to shape and influence what public bodies do for or with them’ (CLG, 2007a).

Perhaps advocates of demolition would argue that community empowerment is a necessary sacrifice, the removal of obsolete housing being our primary goal. They may question how communities can drive a programme that will entail the demolition of their own homes, and suggest there is too strong a conflict of interest. Such a line of argument would suggest suspending community involvement on grounds of expediency or in the public’s own interests. Perhaps this is too simple a line of argument and justifies the undervaluing of community assets. It poses an important question for researchers and those within HMRPs; can HMRPs intervene, addressing obsolete housing, whilst also empowering communities?

## **4.2    *Theory development***

### **4.2.1. *Theoretical propositions***

Analysing the opposition to demolition has shown how simplistic and categorical condemnations of HMRP demolition are flawed. It has been noted how some HMRPs have combined remodelling and refurbishment of properties with sensitive and selective demolition (MSP, 2008a, p.10). It has also been seen that most HMRPs now adopt greater rigour in their assessment of heritage assets, and even in a tough economic climate are delivering some improvements in the value for money of demolition and rebuild schemes (Audit Commission, 2009). Similarly, it can be suggested that not all HMRP demolition schemes will decapitalise and disempower

residents, though counter examples have been hard to find. Caution must therefore be urged in treating all HMRP demolition as equally objectionable. Despite this, there are examples of HMRP demolition schemes that justify some of the opposition posed. These schemes should be our focus and where learning is most urgently required.

Many of the objections to HMRP demolition are well rehearsed in the literature, particularly those relating to heritage, value for money and barriers to refurbishment. Less rehearsed are arguments that focus on the capitalisation and empowerment of residents. These latter two objections, as framed above, give structure to a disparate set of criticisms, and they perhaps provide the most coherent expression of the failings of many demolition schemes. It seems likely that a number of HMRP demolition programmes will display these characteristics of decapitalisation and disempowerment of existing residents. If such HMRPs can account for these two basic objections, it may form the basis of better intervention.

Hence, this research points to three basic theoretical propositions:

- I. HMRP demolition programmes can fail to capitalise existing residents
- II. HMRP demolition programmes can neglect the empowerment of residents
- III. Interventions that account for the above two propositions will be more effective

In the course of reviewing the literature related to HMRPs, a note has been made of any potential interventions that may help counter issues of decapitalisation and

disempowerment. Such reading highlighted Community Land Trusts (CLTs) as potentially a more effective vehicle for intervention. Such community-based models for 'the stewardship and affordability of land, housing and other buildings' strive to ensure that communities benefit from such assets in perpetuity (CFS, 2009, p.2). This model is explained and discussed later in the section. The idea that CLTs could be applied in HMRP areas was first seen in a short paper by the Northern Consortium (2006, p.4):

'The uses of CLTs set out in the Birmingham study were also used to propose an alternative delivery vehicle for the Housing Market Renewal initiative in part of the Oldham pathfinder area. The CLT model was thought to provide an innovative way of investing in a low demand area and the model was thought to be able to deliver an alternative to traditional housing improvement grants and a framework for making decisions on clearance'

Such reading around CLTs suggested that they may have the potential to empower and capitalise residents. This prompted further reading and deeper exploration of the CLT model.

#### ***4.2.2. Community Land Trusts***

In the following sub-section the policy context for CLTs is set, as well as the broader move toward community ownership. The basic CLT model is then outlined with examples of how they operate in practice. Recent research into the development of CLTs in urban areas is explored, before assessing the potential application of these

models in HMRP areas. A hypothetical CLT intervention is then compared to a typical HMRP demolition and rebuild project.

### ***The drive toward community ownership***

The growth in the number of CLTs in the UK is part of a broader movement toward community ownership of assets. In the preceding decade there has been an increasingly voluminous call to transfer assets from public ownership to communities, with the intention that the communities manage and/or own the asset. In a succession of government reports in the mid-2000s (Lyons, 2004; CLG, 2006; Quirk, 2007), the case for community ownership was made. In 2007, the Secretary of State for Communities and Local Government, Ruth Kelly, set forth the Labour government's view on the benefits of community ownership:

‘Community ownership can bring people from different backgrounds together. It can foster a sense of belonging. It can play a role in enhancing the local environment, alleviating poverty and raising people's aspirations’ (Quirk, 2007, p.1).

Such language reveals the scale of ambition for asset transfer, though there is a danger that community ownership is presented as a panacea solution. Other commentators have offered a more measured view. Quirk points specifically at how community ownership can help address the ‘undercapitalisation’ of community groups, an issue which hinders their success in tackling local issues. Quirk also suggests that far from being a silver bullet to alleviate poverty, asset transfer is

primarily a process of empowerment that gives communities the resources to meet specific local needs. This may in turn lead to stronger economic development (Lyons, 2004), but it is a process undertaken to empower first and foremost:

‘The starting point is the recognition that optimising the use of public assets is not the primary objective: the over-riding goal is community empowerment...

The strongest assets of any community are its people; their character and their personal connections with the wider world’ (Quirk, 2007, p.3-4).

The benefits of community ownership are several and include; wealth creation for local people and businesses, strengthening cohesion and the role of community anchors, retaining surpluses to reinvest in innovative local projects, and giving communities a psychological boost by retaining valued assets and their sense of identity (Quirk, 2007). Such models of ownership are not without their challenges though. Quirk highlights how difficult it is for public bodies to manage the risk of transferring an asset. Quoting local authority staff, Quirk notes the perception that such assets may fall into the hands of ‘minority interest groups’, or that there may be a lack of technical expertise in communities to manage such assets effectively. In addition to this, and in a time of tightening public finances, public bodies are being pressured to maximise their assets. Public accounting rules preclude such transfers without higher government authority:

‘...disposing of surplus assets at best price, to maximise capital receipts – there is no room for offering discounts to communities’ (Quirk, 2007, p.12)



A risk averse, short-term and predominantly economic view of community ownership leads to a more sceptical outlook on asset transfer. Public servants adopting this outlook are more likely to look for the best price for the land, rather than the best outcome resulting from its disposal. When asset transfers are assessed for risk in a more balanced way, factoring in the social returns on investment, then community ownership looks more favourable. Attempts to measure such social value are in their infancy. Nonetheless, attempts have been made to put values on the social outcomes of asset transfer (Bieganski, 2008). Adherents of the purely economic view may indeed over-value the financial return from such assets. Surplus public assets do not always equal capital receipts for the public purse. As seen in the previous chapter, there are significant areas of land assembled for new housing that developers now deem too risky to build on it. So what value is this land? Holding onto it in the hope that in five years time there will be more interest from developers is perhaps a questionable strategy, as derelict land further denigrates and devalues an area. In such an instance, there is arguably little to lose (in the short-term) from transferring the asset.

Quirk concludes that bodies such as local authorities have the necessary powers to transfer assets to the community, but there is insufficient knowledge and experience in how to use them. So whilst the benefits of community management and ownership are 'clearly evidenced', a campaign is 'urgently' needed to raise awareness among public sector staff and to develop their expertise in assessing and undertaking transfers (Quirk, 2007).

### ***The basics of the CLT model***

CLTs are one model of community ownership of assets. They are not-for-profit organisations that hold and use land for the benefit of a community. CLTs are often recipients of land or property through transfer of public assets, section 106 agreements or from landowners through the exception site policy (BSHF & NHF, 2007). Local residents become members of the CLT, and from the membership base a management committee is often elected, in addition to the minority representation of partner organisations (CFS, 2006). CLTs are often created as means of addressing affordability issues in area, building new housing or to tackle substandard housing. It can help those on modest incomes to access adequate housing in which they have an equity stake. Alternatively, it has been proposed that CLT can support investment in stock that is in disrepair (URBED, 2004).

In essence, CLTs separate the asset they hold (land and often property) from the market. This enables the CLT to subsidise buyers/owners so that they can purchase or repair their property. As property prices increase, and when the owner wishes to sell, the CLT retains an equity stake and takes a share in the up-lift value. This return is then reinvested by the CLT to support more homeownership. Perhaps more importantly however, CLTs enable communities to play a much more meaningful and active role in the design and provision of housing, and ensuring their community is a sustainable one (ART Homes et al, 2002; CFS, 2006).

As discussed in the sub-section below entitled ‘Lessons from the development of CLTs’ there are very few fully functional urban CLTs in the UK. Efforts have been made to support such CLTs, and 12 demonstration projects have been supported by the Carnegie Trust (CFS, 2008). Despite this these CLTs are, generally speaking, still in the initial set-up phase. Hence research in this field is embryonic and there is much to learn about the development of urban CLTs in a UK context.

### ***An example of a CLT in action***

In Burlington in the U.S, the Champlain Housing Trust<sup>2</sup> (CHT) applies a unique approach to enable those on modest incomes to access housing in an area where affordability is a problem. Household incomes in the Burlington area are such that those served by CHT have earnings of only 69% of the area’s median income (New Start, 2010), making homeownership difficult in the open market. CHT has brought home ownership to 357 households since 1984, but perhaps more importantly, it has enabled a large number of households to take a share in the growth of property prices which has enabled them subsequently to buy on the open market (Davis and Stokes, 2009).

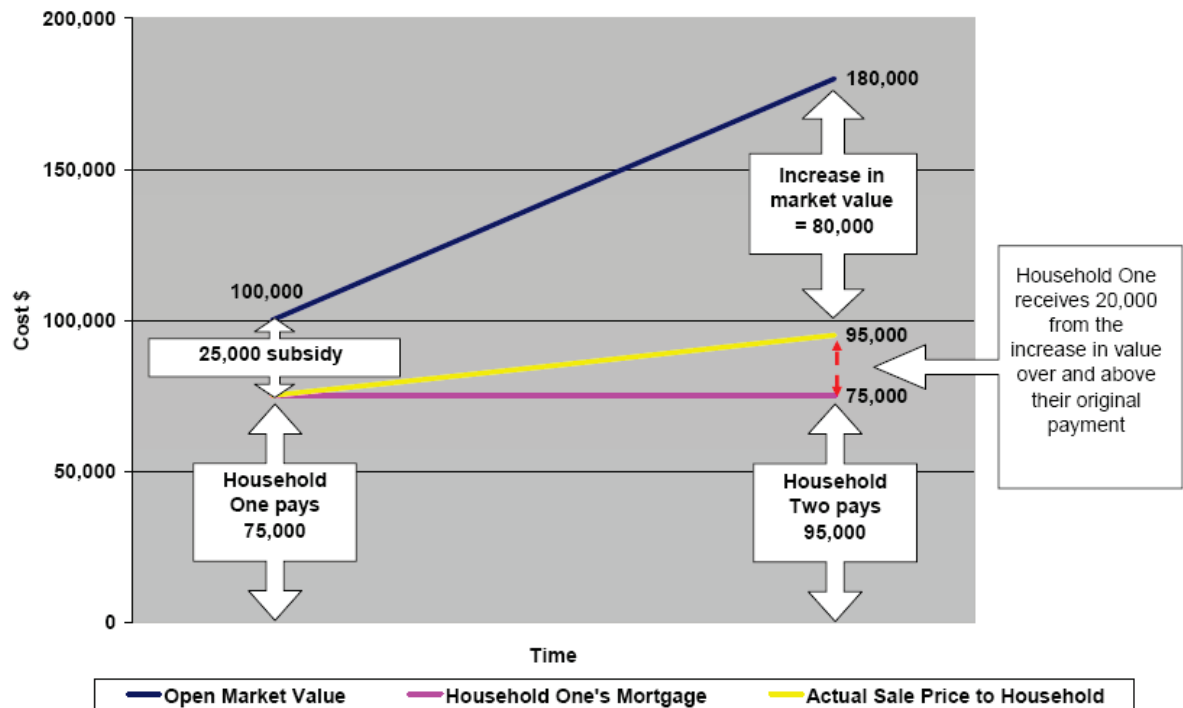
CHT subsidises the purchase of a property, and takes a share of the increase in value when the households wish to sell the property. In addition, it is written into the agreement that the property must be sold back to CHT, not sold on the open market; which is crucial to locking-in equity.

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<sup>2</sup> Formerly Burlington Community Land Trust

For example, a CHT property is valued on the open market at \$100,000. CHT offers Household A, a low income family, a house for \$75,000 (which means CHT has provided a 25% subsidy i.e. \$25,000). If after five years Household A wants to sell the property, and it is valued on the open market at \$180,000, this would equate to an uplift in value of \$80,000 from the original market value of \$100,000. Whilst the property cannot be sold on the open market (as it has to be sold back to CHT) the assessment of its market value helps calculate the share of the up-lift for both parties. As agreed, Household A takes a 25% share of the \$80,000 uplift (i.e. \$20,000). This can be used as a deposit for a house on the open market (which 74% of CHT households chose to do). In addition CHT repays the seller their original \$75,000 investment, which means that the property comes back into CHT ownership. This leaves CHT with \$60,000 worth of uplift to reinvest (i.e. the remaining 75% of uplift value). To calculate the resale value, CHT takes its original sale price of \$75,000 to Household A, and adds to it the amount paid to Household A from the up-lift, i.e. \$20,000. Hence, the property is resold at \$95,000. This would represent a highly affordable price, as the property's market value is now \$180,000 (BSHF & NHF 2007). See Figure 3 below for a more concise explanation:

Figure 3: CLT financial model



Source: BSHF&NHF

There are many variations on this model. For instance, Paterson (CFS, 2006) suggests that on resale, the seller receives the same percentage of the sale price that they invested, in addition to 75% of the up-lift. For example, imagine a property is valued at £100,000 and the seller buys 60% of equity and the CLT invests 40%. If the resale value is £200,000 (an up-lift of £100,000), then the seller then gets his original investment back (£60,000), plus 75% of the up-lift (£75,000). The CLT receives back its £40,000 investment in addition to £25,000 of up-lift. Such a model is much more favourable to the homeowner than the CLT, but nonetheless the value created for the CLT is substantial and can be reinvested for the community's benefit.

### ***Lessons from the development of CLTs***

Research is increasingly being carried out into how CLTs develop and some of the barriers they face. Such research has highlighted important issues around the necessary skills and capacities required within community groups to manage and own assets. This is a key finding in the field of community ownership generally (LCST, 2006), as well as specific to CLTs (Crowe et al, 2010). Crowe et al note that one of the major risks in developing a CLT is that volunteers are 'overburdened and unable to maintain effort and interest' (Crowe et al, 2010, p.66). To remedy this, they recommend the following:

'What English CLTS would do differently...12-24 months capacity building prior to setting up organisation in the community [and]...a 5-year timeframe for establishing a community anchor organisation for asset transfer...[included in development costs should be] a paid organiser/officer time, circa £40,000 pa'.

Such learning raises questions about the application of CLTs in urban areas. What assets can such CLTs take on? What outcomes can they achieve? And what do they need to help them work better? Responding to such questions researchers at Salford University produced a toolkit for urban CLTs (CFS, 2008). The researchers supported and evaluated 12 demonstration projects, extracting significant learning about how urban CLTs develop. Summing up the value of urban CLTs the authors' state:

‘CLTs have the potential to play a major role in managing urban change and connecting the process of physical change with the achievement of wellbeing outcomes in particular places, through the engagement of communities in the process, in individual and collective behaviour change, and retaining the intrinsic value of their assets for reinvestment in that place’ (CFS, 2008, p.2).

The case studies produced by the authors reveal the diversity, in terms of scale and focus, of the projects. Some of the proposed CLTs focus on demolition and redevelopment, whilst others will renovate existing properties. The authors document the multiple barriers to development of urban CLTs; agreeing the complex legal and governance arrangements, securing the support of government and governmental bodies responsible for funding, finding willing partners to transfer assets and securing the requisite finances for development (CFS, 2008). One of the case studies, of particular note for this study, is the The Seedley and Langworthy Trust which is based in the Manchester and Salford HMRP area. The Trust has explored becoming a CLT so that it can ‘capture some of the wealth generated by the regeneration funding in perpetuity for the benefit of the community’ (CFS, 2008, p.80). This would involve taking ownership of certain assets held by a local housing association. It is unclear whether the Trust has been successful in obtaining such assets, but the authors note how the current ‘offer from the housing association has not matched [the Trust’s] aspirations’ (CFS, 2008).

Despite the potential of such projects, the authors suggest that there is much that government, governmental bodies and other agencies can do to support the

development of urban CLTs. These actions include; ensuring CLTs have a formal status and legal definition and are recognised by regulators, financial bodies, local authorities and local strategic partnerships. In addition, the authors argue for guidance that will ensure decisions about asset transfer are taken in a well informed and balanced way:

‘Develop guidance for policy and good practice to ensure that political choices between maximising capital receipts from the sale of public assets and achieving wellbeing outcomes from the use of public assets are taken with the benefit of balanced, transparent and explicit professional advice’ (CFS, 2008, p.5).

Whilst there are significant barriers to the development of urban CLTs, there is momentum in the movement. Some members of the UK’s current coalition government have been supportive of CLTs for some time, declaring ‘we are strongly in favour of Community Land Trusts’ (Conservatives, 2009, p.23). In addition, there has been much talk of giving communities an increased responsibility for housing development by giving them freedoms within the planning system to authorise development (HM Government, 2010, p.7).

### ***Applications in HMRP areas***

The examples above show how CLTs can bring home ownership within the grasp of low income households. However, such CLTs were not developed as a response to low demand for housing, indeed they were developed because of high house prices.



Many of the CLTs already in existence in the UK are in affluent rural areas, to ensure housing or facilities are accessible.

So what is the application of the CLT model in HMRP areas, and how can it offer an alternative to demolition, or an alternative way of managing demolition? More importantly, and in reference to the theoretical propositions developed, how could a CLT serve to better capitalise and empower existing residents in HMRP areas? Before answering such questions, it is first essential to understand the outcomes of a typical HMRP demolition and rebuild scheme. This would provide something to compare the CLT model against. Below an example HMRP intervention is presented, which has been constructed on the basis of a variety of evidence from existing HMRP schemes and house price data for 2007 (MSP, 2008b; RENEW, 2008b; Oldham MBC, 2007; NewHeartlands, 2009, UpMyStreet, 2010). The aim of presenting such a model is to approximate the financial inputs and outputs of such schemes and to show the flow of capital. In essence the model tries to show where financial gains are made for the public and private investment. This reveals a number of important findings, and also enables us to juxtapose the potential CLT model against some existing HMRP practices.

### ***A typical demolition and rebuild model***

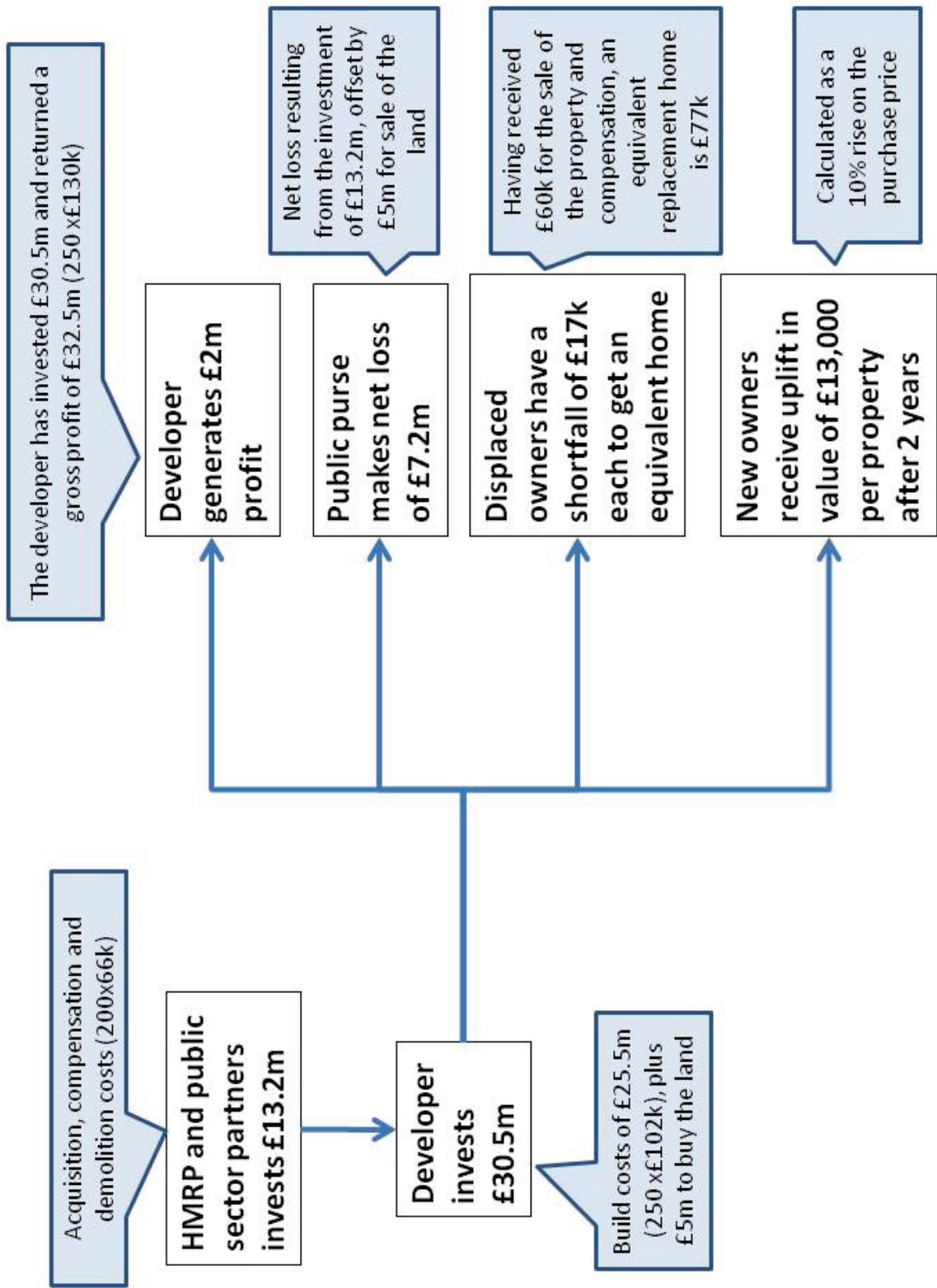
This hypothetical HMRP demolition and rebuild project is based on data for 2007/2008 prices and values. It is constructed on the following premises:

- The demolition of 200 owner occupied and social rented terraced properties;

- the demolished properties will be replaced by 250 new build properties. For ease of calculation the scheme comprises 70% private sale and 30% social housing;
- demolition costs are on average £6,000 per property (RENEW, 2006d);
- acquisition and compensation costs per property are £60,000 on average (Stoke City Council, 2007a). Acquired properties were valued as though they were not in a demolition scheme (RENEW, 2008d);
- equivalent properties in the local area for displaced households cost £77,000 (UpMyStreet, 2010);
- land value after demolition is priced at £7,000,000;
- the cost to build each new property is on average £102,000, allowing for a mix of two and three bedroom properties (Newheartlands, 2009, p.5);
- the sale price of each new property is on average £130,000 (including those to the RSL provider). This is an approximation based on sale prices of new homes in HMRP schemes such as Walker Riverside and Dorrington Gardens (Upmystreet.com, 2010);
- as a result of the development and regeneration activity, after two years there is a 10% up-lift in value of properties which equates to £13,000 on per property (10% of £130,000); and
- the HMRP receives no share of profits from the sale of new housing (Oldham MBC, 2007)

Using the above information and indicative figures for similar programmes, the flow of capital and outputs of such schemes can be depicted as follows:

Figure 4: Flow of investment and capital in a typical HMRP demolition and rebuild scheme



Whilst the diagram above is a simplification of the flow of capital and the outputs achieved, it prompts the question about whether the right people benefit financially from such interventions. If implemented, the above example would arguably address issues of poor quality housing and the social knock-on effects of having a large amount of unwanted, void stock. If existing residents were rehoused, and/or some renters were helped into home ownership, then their wealth will increase as demonstrated earlier in this thesis (HUD, 1995). This may support wider economic development. If new residents are housed in the new properties they may also contribute to the economic development of the area, spending their income with local businesses. These benefits are welcome, but under the model presented above the biggest beneficiary financially is the developer. We also know, as the case study later in the thesis shows, that such schemes often fail to rehouse existing residents in the new properties. As we've demonstrated, displaced residents may lose out financially as they seek to find a replacement home. In addition, how has the scheme empowered residents? How have existing residents been put 'in charge of what happens?' (CIH, 2007). Under a typical HMRP scheme such as that modelled above, residents may have been consulted on the new development but far from put 'in charge of it'.

Arguably CLTs offer a solution to increasing the financial benefits for existing residents, whilst also empowering them. One model that has been posited is the use of CLTs to refurbish properties, rather than demolish them. Such a CLT may ensure that members are put in charge of the intervention, that owners increase their capital wealth and that local people benefit from the scheme in perpetuity. The development

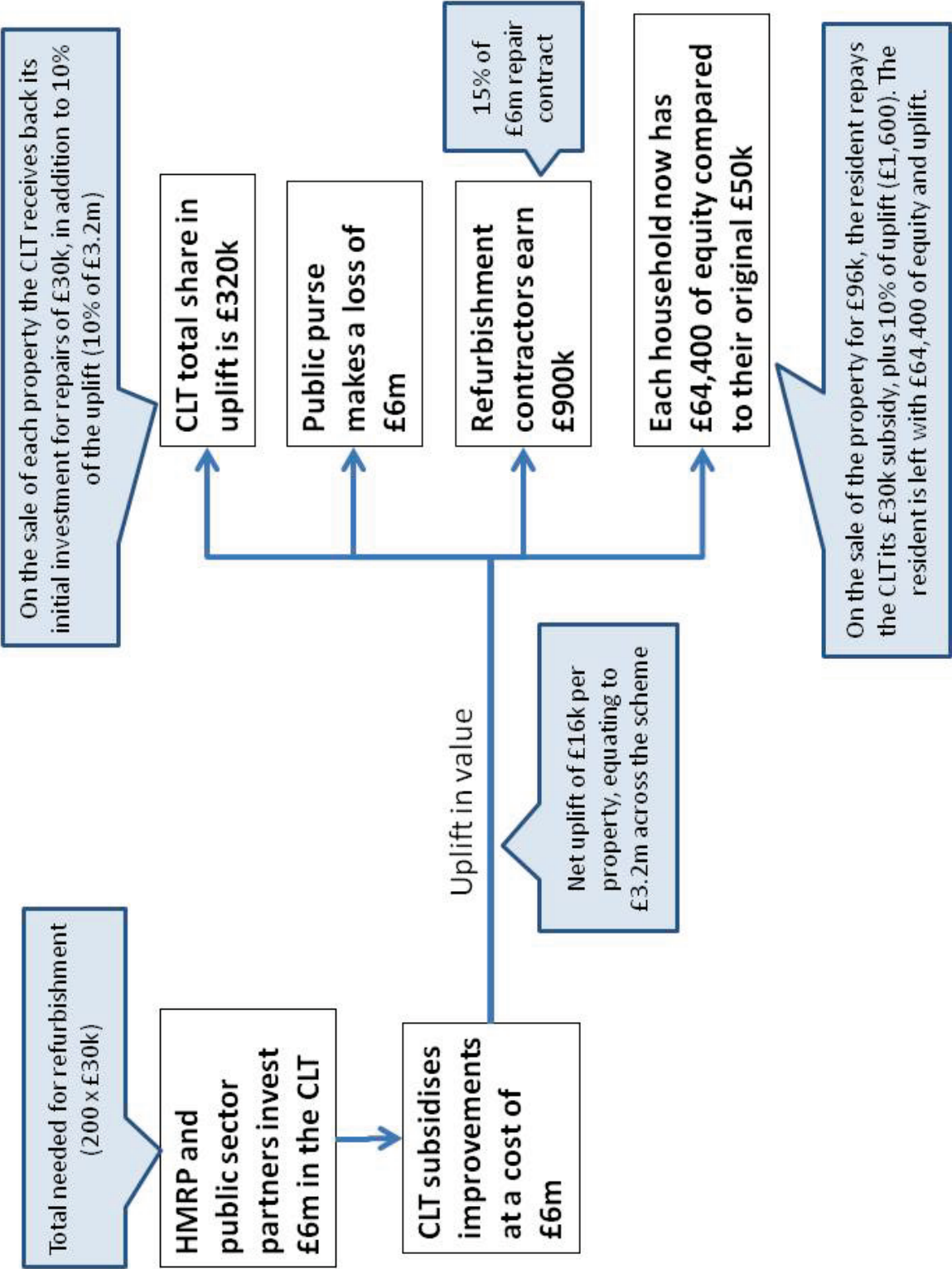
of this model is credited to Charlie Baker (URBED, 2007). Using proposals developed by Baker for the town of Werneth in Oldham it is possible to model and approximate the likely the flow of capital and outputs. A specific focus has been placed on HMRP investment and the financial benefits for residents.

### ***CLT refurbishment scheme***

This hypothetical example of a CLT refurbishment scheme is constructed on the following premises:

- the comprehensive refurbishment of 200 poor quality terraced houses;
- average open market values of properties before improvement is £50,000.  
This is lower than valuations for properties earmarked for demolition, which are valued differently (RENEW, 2008d). For ease of showing the flow of capital it has been assumed that each property is owned outright;
- an average subsidy of £30,000 per property is required to bring each property up to a decent standard (Plimmer et al, 2008, p.6);
- Refurbishment contractors make 15% profit on the work completed (MSP, 2008b, p.6);
- as a result of the refurbishment each property is worth a minimum of £96,000 (CLG, 2009, p.36). There is a net up-lift of £16k per property after refurbishment, allowing for the existing value of the property (£50,000) and the investment made (£30,000);
- the CLT takes a 10% share of this up-lift, and the resident takes a 90% share

Figure 5: Flow of investment and capital in a CLT model of refurbishment



The model above is merely indicative and critics may argue that £30,000 per property is not enough to repair poor housing stock. In the course of this research examples of both very high and very low refurbishment costs have been found (Audit Commission, 2010; BCIS, 2006), and £30,000 seems like a fair estimate for those properties that are in poor but not derelict condition. Critics may also argue that there would be difficulties in signing up all residents to the scheme, which would be crucial to delivering economies of scale. This model then does not account for such logistical challenges and is presented not as a definitive example, but merely to demonstrate *where* the value created (or more precisely the capital) arising from the investment could go.

Comparing the typical HMRP demolition and rebuild project, with the CLT model above, it seems that there is only slight difference in the investment required. Nonetheless, looking at benefits accrued and the flow of capital, it can be seen that existing residents and the CLT receive much of the financial benefits. Under the CLT scheme, owners would grow their capital from £50,000 to £64,400 on the sale of the property after refurbishment. Given a number of years and house price increases it likely that the value of the house will grow further. This will enable the resident, if they sold their property, to realise greater capital. Perhaps just as importantly, local housing conditions will have improved, without the need for displacement, and in the process building up the community's ownership of local problems and empowering them to act. By placing the investment in a CLT, and enabling the CLT to take a share in the uplift of properties, it can reinvest in the local area and keep local housing affordable.

The benefit of the CLT refurbishment model is therefore twofold; firstly, it secures significant financial benefit for existing residents and future aspirant home owners; and secondly and perhaps most importantly, because the CLT manages the scheme the local community owns the process of improvement. The reality of the CLT refurbishment scheme is that it may also have to be combined with selective demolition, where property conditions are so poor that refurbishment costs outweigh the end value. Nonetheless, the empowerment benefits alone suggest that such interventions may be preferable to some of the demolition schemes that HMRPs have undertaken.



## **CHAPTER FIVE: THE CASE OF SLATER STREET**

The following chapter presents a case study of demolition by a HMRP, and one in which a CLT was proposed. It was hoped that by looking at such a case, the theoretical propositions developed in the previous section may be tested against a real world example. To guide this testing process a set of research questions were developed:

1. How did the HMRP intervene?
2. How much did the intervention capitalise residents?
3. How much did the intervention empower residents?

The first research question ensures the case study is grounded in a full understanding of how the HMRP intervened. Only after understanding and detailing the full chronology of the intervention, can an assessment be made as to whether it capitalised and empowered existing residents. To separate evidence and interpretation, as advised by Green et al (2006), the case study is therefore divided into three sections:

- i. Contextualising the case
- ii. The chronology of the intervention
- iii. Analysis of the intervention

The first sub-section, *Contextualising the case*, enables the reader to understand the case's location, and some of the social, environmental and economic factors affecting it. The sub-second section, *The chronology of the intervention*, tries to present a well-evidenced view of how the intervention unfolded over time, free from interpretation and analysis. Only after this can the case be subjected to analysis and a decision made as to whether it validates or invalidates the theoretical propositions.

### 5.1 *Contextualising the case*

The case study area is a small number of streets in Middleport, part of the urban area of Stoke-on-Trent, a city in North Staffordshire in the West Midlands of the U.K. The research uses the geographical boundaries of the case as set by the HMRP and the local authority (Stoke-on-Trent City Council, 2005). Such agencies named the case study area the Slater Street Clearance Area (henceforth, Slater Street).

Figure 6: The location of Slater Street in the wider geography



Source: Open OS (adapted). Open OS (adapted). Contains ordnance survey data © Crown copyright and database right [2011]

Slater Street is approximately one and half miles north-west of Stoke-on-Trent city centre, and two miles north east of the centre of Newcastle-under-Lyme. Slater Street is part of Middleport, a neighbourhood at the southern margins of the town of Burslem. The case study area lies between two main arterial road routes to the north of Stoke City centre (the A500 and A50).

Figure 7: The physical boundaries of the case study area



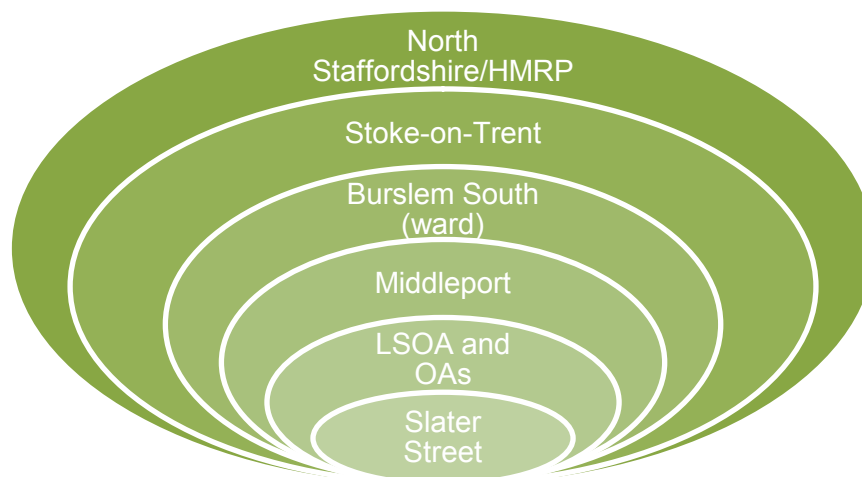
Source: Open OS (adapted). Contains ordnance survey data © Crown copyright and database right [2011]

The case study area comprises seven streets; Bennett Street, Slater Street, Dimsdale Street, East View, Clew Street, Luke Street and housing on the east side of Newport Lane. It is bordered to the north by Furlong Street, and access from the south is via Newport Lane. Figure 7 shows the size, basic road layout and

orientation of Slater Street. Large industrial sites border the case study area to the east and south.

As a small area, situated within a variety of geographies, it is important to explain how these geographies relate to one another. The diagram below, which is not to scale, shows the containment of geographies within one another.

Figure 8: Slater Street and geographic context



Later in this section, in exploring the social, economic and environmental data for Slater Street, low level geographies are used (ONS, 2010). Such data is presented for Lower Super Output Areas (LSOAs) and Output Areas (OAs) which represent small geographical units of similar sized populations. Slater Street is part of one LSOA and is comprised of two OAs. When combined the OAs cover a slightly larger geography than Slater Street, but nearly match the case study boundary<sup>3</sup>.

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<sup>3</sup> The Output Areas (OAs) that cover Slater street contain 285 dwellings, as opposed to the 237 contained in the clearance area. With this in mind data at this level provides a close approximation, but not perfect, picture

To simplify the job of setting the case study area in a wider context, conditions within the local authority and within the HMRP are used to contextualise the case.

### *Employment and industry in the wider geography*

Slater Street was originally built in the Victorian period to house employees in the local pottery industry (Stoke City Council, 2006). This industry was a major source of employment for local people, peaking in the post-WWII period when 79,000 people were employed in the industry. Such employment has however shrunk markedly, with recent estimates suggesting only 7,000 people are now employed in the pottery industry (Stoke City Council, 2010). The loss of this major industry, and the failure to develop a thriving alternative industry, has resulted in high unemployment which is a significant factor affecting the housing market and broader regeneration.

Unemployment in Stoke-on-Trent is some 2.5% higher than the UK average (NOMIS, 2010), and has been worsening since 2007. Average incomes for Stoke-on-Trent were deemed to be the third lowest in England in 2004 (RENEW, 2004), and gross weekly pay is some £89 per week less than the national average, and £55 less the regional average (NOMIS, 2010).

### *Deprivation in the wider geography*

On assessments of deprivation Stoke scores highly. In 2004 it was declared the 18<sup>th</sup> most deprived local authority area in the country (ONS, 2004), and was deemed to have become more deprived in 2007, being ranked 16<sup>th</sup> (ONS, 2007). Such deprivation is matched with population decline. Based on population estimates,

Stoke-on-Trent will lose 26,000 residents between the period of 1991 to 2021, a drop of 12% (Centre for Census and Survey Research, 2005)

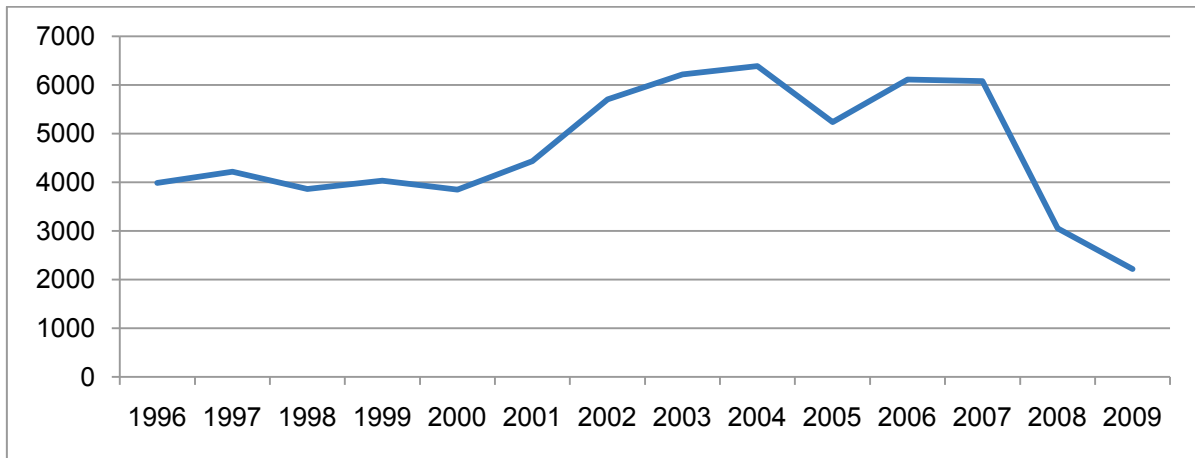
#### *Land use in the wider geography*

As the previous two maps demonstrate, the case study is located in an area with a high housing density, and hence high population density. The Stoke-on-Trent area has 25.75 persons per hectare compared to the national average of 3.45 (ONS, 2001). As suggested above, Slater Street and the surrounding area contains a large amount of industrial land. Much of this land is disused. As of March 2008 Stoke-on-Trent had 210 hectares of derelict land and buildings, constituting 2.26% of the total land in the local authority boundary. This compares to only 0.13% of land regionally. Such statistics highlight some of the environmental issues in the local area and the potential land for reuse as housing.

#### *The wider housing market*

The housing market in Stoke-on-Trent fluctuated in line with national trends until 2008. Nationally, house prices declined between 2007-2008, but began to rise again in 2009-2010 (Land Registry, 2010). In Stoke-on-Trent however, prices have continued to decline since 2008 and the average sale price in 2010 was lower than it was in October 2008. The trend in house sales mirrors this decline, with sales nearly halving between 2007 and 2009 (Land Registry, 2010):

Figure 9: Volume of house sales in Stoke-on-Trent between 1996 and 2009



Empty properties are, and have been, one of the results of this housing market decline. In 2001/02, the number of vacant dwelling in Stoke-on-Trent stood at 6368, 5.9% of the total stock in the authority (DTLR, 2002). Whilst improvements have been made (in 2009 vacancy rates were at 5.2% of the total stock) the percentage of empty stock is still significantly higher than the national average of 3.4% (CLG, 2009).

#### *Renewing the housing market in North Staffordshire*

Such housing market issues are not confined to Stoke-on-Trent, being prevalent in neighbouring conurbations and across North Staffordshire. It is therefore no surprise that this sub-region was designated a HMRP area. RENEW, as the HMRP is called, covers a large area of North Staffordshire, comprising Stoke-on-Trent, Newcastle-under-Lyme and surrounding areas. The RENEW area was chosen as one of the HMRP's as it met the stated criteria:

‘when measured against vacancies, house prices and stock condition, it has the weakest housing market in the West Midlands by a considerable margin...the housing stock is largely the product of a low wage and poorly performing economy’ (RENEW, 2004, p.27).

In their prospectus RENEW (2004) highlight three priority housing issues that it would seek to address;

- obsolescent housing - the product of poor stock conditions and unstable ground. High improvement costs mean refurbishment was deemed too costly;
- surplus housing - estimated at approximately 3000 units in the RENEW area; and
- unpopular neighbourhoods – suffering from concentrated deprivation, poor urban design and other associated social issues.

Responding to these issues, RENEW’s Prospectus gave a clear statement of its future ‘goals’ (RENEW, 2004, p.7). These goals are returned to in the case study analysis:

1. Balance the supply and demand for housing by removing surplus properties and providing a better choice of homes in appropriate locations.
2. Provide sustainable neighbourhoods through better management and increasing population by building at higher densities.



3. Reduce outward migration from Stoke-on-Trent and retain and attract new populations to the pathfinder area.
4. Improve the environment radically by removing housing from heavily polluted roads, from areas of polluting industry and from areas with no long-term residential future. Quality open space will be provided on former housing land which is no longer needed.
5. Promote social cohesion by ensuring ethnic minorities can access new build housing and by reducing overcrowding.
6. Link to wealth creation by supporting the new commercial core, town centres and by providing construction training to local people.
7. Reduce crime and the fear of crime in order to promote safe neighbourhoods.

In its Scheme Update (RENEW, 2005, p.7) this list of aims was reasserted, with slight changes in focus. The Scheme Update asserted RENEW's aim to: balance the supply and demand for housing; provide a quality housing stock; retain and attract new populations; transform the urban form and local environment; promote social cohesion and meet housing needs; and, achieve sustainable neighbourhoods.

Whilst these later aims are much less specific than the aims stated in 2004, they do overlap. When compared, key issues relating to the quality of stock, tackling crime, housing in industrial areas and wealth creation have no specific mention by 2005.

## **5.2     *The chronology of intervention***

Having set the context for the case study, the following section details the process of intervention by the HMRP in Slater Street. As discussed in Chapter 2, there are advantages to presenting this in chronological order (Yin, 2003), providing a picture of how the intervention developed linearly over time. Each two year period is taken in turn, from the year 2001 to 2010.

### **2001-2002**

#### ***The baseline position***

The 2001 census data provides an invaluable baseline picture for the Slater Street area prior to any HMRP intervention. Looking at this data for the Slater Street OAs, shows that 13% of the total number of dwellings were unoccupied in 2001, significantly higher than the average for England (3.8%) and the West Midlands (3.3%). The data also shows the tenure split in the area at this time; 49% of households were in some form of owner occupation, 28% in social renting and 16% in private renting. The Census data also states that 88% of dwellings in the area were terraced. Compared against regional averages, Slater Street has a disproportionately high percentage of terraced housing, one of the factors of being 'at risk' of low demand as identified in the M62 study (Nevin et al, 2002, p.vi). Looking at individual property sales in the case study area confirms this. Between January 2002 and December 2002, house prices ranged from £8000 to £22,000, with the average being £15,932 (Land Registry, 2010). This was significantly below the Stoke-on-Trent average for this period of £52,329, with the regional average being £111,429.

Even comparing Slater Street against averages for terraced properties shows comparatively low prices. In 2002 the average price for a terraced house nationally was £105,739, and £73,761 regionally. It is clear then that at the turn of the millennium Slater Street was suffering very low house prices and significant abandonment.

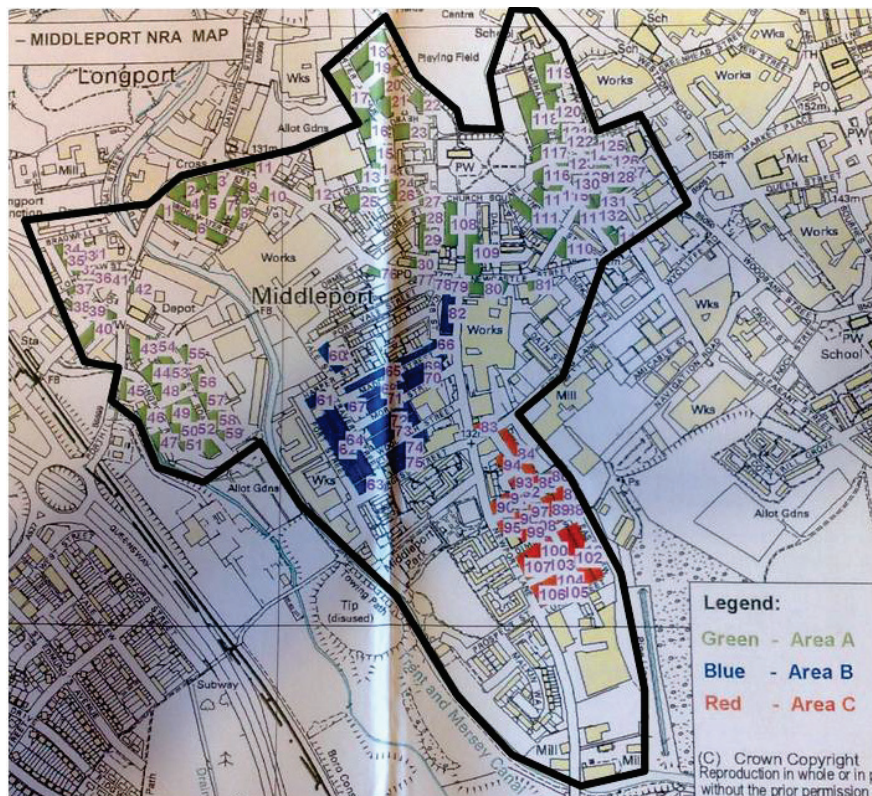
The census data also provides important details about the population of the area prior to intervention. Nearly half of the working age population (42%) were classed as economically inactive; neither employed nor registered as unemployed (i.e. registered as retired, a student, looking after the home/family, permanently sick/disabled or 'other'). In addition, nearly half the working age population was in employment, meaning very few people deemed themselves to be registered as unemployed. Data on the social grade of the population shows only 25% of residents were classed in social grade E ('On state benefit, unemployed, lowest grade workers'). It appears that a high level of skilled workers occupied the area, with 43% of residents over 16 years of age being classed in social grades A to C; Higher and intermediate managerial / administrative / professional, supervisory, clerical, junior managerial / administrative / professional or skilled manual workers'. A high percentage of skilled workers, many of whom were economically inactive, points to a potential mix of issues related to ageing populations, familial dependencies and health related conditions.

## ***The 2002 Neighbourhood Renewal Assessment***

In December 2002, a Neighbourhood Renewal Assessment (NRA) for Middleport was completed. The NRA had been commissioned by a working group which comprised a variety of local agencies involved in Single Regeneration Budget (SRB) projects. The rationale for the NRA was based on significant worries about local housing including 'a number of concerns about housing conditions, demand, tenure shift and house values' (RENEW, 2008b).

The NRA covered 1,318 dwellings in Middleport, a much bigger area than just Slater Street. Figure 10 below shows the boundaries of the NRA, Slater Street is shown in red as 'Area C':

Figure 10: Middleport 2002 NRA area



Source: RHS Consultants

As part of the NRA a stock condition survey was completed on the externals of 1,318 dwellings in Middleport. In practice, this meant external surveys of all privately owned and privately rented properties in Middleport, plus all social housing built before 1919. To supplement this, 20% of privately owned properties were subject to internal inspection. From this survey it was revealed that 16% of dwellings were unfit for human habitation. The NRA concluded that in the next 10 years, 40% of roofs and 30% of windows would need replacing and 25% would need damp courses:

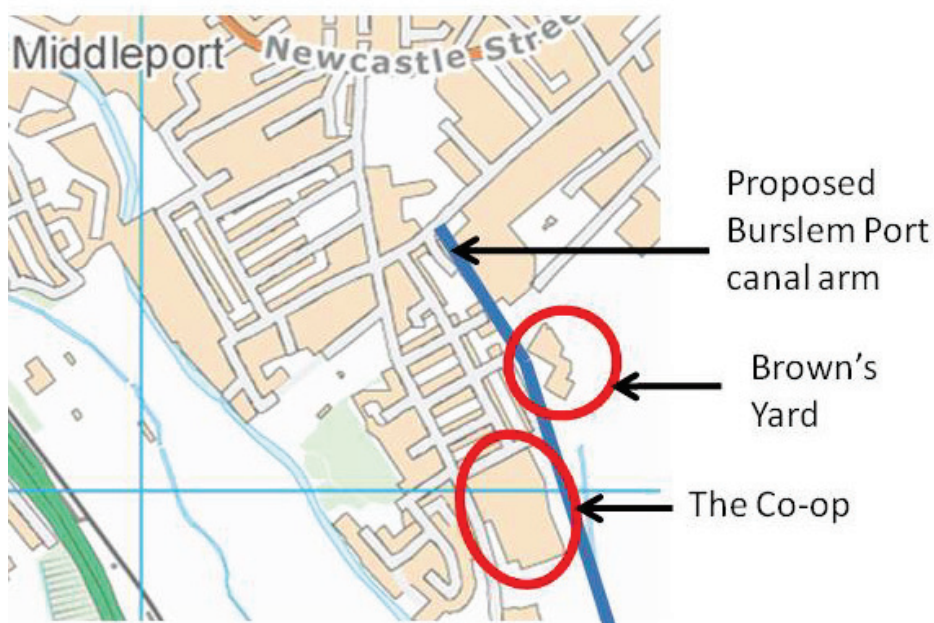
‘The immediate cost of dealing with urgent disrepair and doing all external works to merely make premises fit is £1.5 million...Overall the total cost of the repair work will be £20 million in the next ten years’ (RHS, 2002, p.7).

The NRA provides comment on specific areas within Middleport that presented either regeneration opportunities or future challenges. Some of these specific areas are within the case study area, and hence the NRA offers the earliest insight into the different issues and potential solutions for the area. Reviewing the extensive detail provided in the NRA provides two interesting findings. The first relates to the impact of adjacent land on Slater Street, the second that the Slater Street area itself was deemed highly problematic. The NRA points to two problematic sites bordering the Slater Street area:

- Brown's Yard, which was deemed to be 'the most environmentally damaging location in the neighbourhood' with blown refuse and proliferate refuse dumping a problem; and
- the old Co-op with its 'largely redundant buildings' and 'poor site management [and] dumping' was also deemed problematic.

In both instance the NRA points to the important role of the Burslem Port project, an attempt to reopen an old canal arm, to the regenerate the area.

Figure 11: Brown's Yard, the Co-op and Burslem Port project



Source: Open OS (adapted). Contains ordnance survey data © Crown copyright and database right [2011]

In addition to the problematic areas identified above, the NRA pointed to issues in a number of streets in the case study area (RHS, 2002, p.55-62). It provides details on

Luke Street, at the southern edge of the case study area. There is evidence of boarded up, fire damaged houses and 'demoralised' residents wanting to 'sell their homes and abandon the neighbourhood'. East View, at the eastern most edge of the case study area, was being 'very badly affected by environmental degradation'. Slater Street itself, which runs down the heart of the case study area, was experiencing a 'huge fall in market values' and issues related to private landlords. In all these instances, the NRA points to the importance of developing adjacent, key strategic sites. Development on the Co-op land, in conjunction with the Burslem Port development, was considered crucial if the area was to improve. Whilst the NRA introduces the idea of demolition, the recommendation is actually to hold back on demolition until these adjacent sites are developed:

'Though demolition appears to be the most socially and financially appropriate option at this time, its implementation could be held to see if the package of new build and conservation proposals for the key strategic sites has a beneficial effect on this part of the neighbourhood' (RHS, 2002, p.62).

There are clear issues of empty housing and poor environmental conditions, and in terms of stock condition Slater Street was deemed as having 'the highest proportion of unfit properties' and 'selective demolition and redevelopment' may be necessary (RHS, 2002, p.19). It appears, however, that at this stage investment in adjacent derelict land was being prioritised.

The NRA for Middleport provides an economic assessment of potential interventions on selected areas. Area C aligns with the eventual Slater Street boundaries, and hence provides useful information about which course of action which was deemed appropriate in 2002. The assessment looked at the Net Present Value (NPV) of four interventions for Slater Street:

1. *Group repair* – Continuous repair and maintenance of all properties
2. *Make fit and maintain* - Undertake urgent repairs, then replace housing in year 30
3. *Clear and rebuild (year 2)* - Clearance and redevelopment all within 2 years
4. *Clear and rebuild (year 10)* - Clearance of properties and maintain land for 10 years, then redevelop

In this instance, the total NPV shows the cost of an intervention with any benefits (such as increased property values as a result of the intervention) subtracted from these costs. Costs include those for both public bodies and private owners. Crucially, the assessment is based purely on the net expenditure (such as acquisition, repair costs, compensation packages) and financial returns on this expenditure (e.g. increased property prices and land value). In looking purely at financial expenditure and financial returns, it does not factor in any social returns on investment (NEF, 2009a), such as the wellbeing of residents. The NPVs for the four interventions are provided in Figure 12, along with changes in values if conditions alter over time.



Figure 12: NPV and projected values for four interventions

| Summary of options and sensitivity analysis of Blocks in Area C.   |              |                            |                             |                       |
|--|--------------|----------------------------|-----------------------------|-----------------------|
| Option   | Group Repair | Clear and rebuild (year 2) | Clear and Rebuild (year 10) | Make fit and maintain |
| Net present value for option                                       | £376,275     | £350,298                   | £1,060,788                  | £1,287,088            |
| 10% increase in costs  | £413,902     | £873,335                   | £1,427,894                  | £1,415,797            |
| 10% decrease in costs  | £338,647     | (£172,739)                 | £693,682                    | £1,158,379            |
| 10% increase in market values                                      | £271,658     | (£137,709)                 | £799,761                    | £1,287,088            |
| 10% decrease in market values                                      | £480,892     | £838,305                   | £1,321,815                  | £1,287,088            |
| 10% increase in renovation costs and 10% increase in market values | £413,902     | £385,328                   | £1,166,867                  | £1,415,797            |
| 10% decrease in renovation costs and 10% decrease in market values | £338,647     | £315,268                   | £954,709                    | £1,158,379            |
| 10% increase in costs and 10% decrease in market values            | £623,136     | £1,361,342                 | £1,688,921                  | £1,415,797            |
| 10% decrease in renovation costs and 10% increase in market values | £129,414     | (£660,746)                 | £432,655                    | £1,158,379            |

Source: RHS, 2002

As can be seen from the table, the most cost-effective solution for Slater Street (in terms of NPV) is seen to be clearance and rebuild within two years (£350,298), closely followed by group repair (£376, 275). The option of making fit for 30 years and then replacing housing is deemed the least cost effective solution. As shown later in this section, the intervention that most closely resembles the one undertaken is 'clear and rebuild (year 10)', with an NPV of £1,060,788, the third most costly option.

Later in this thesis the decision making around demolition is explored further, and why selective demolition combined with refurbishment was never considered (neither in the 2002 NRA or 2006 NRA). As a final point about the 2002 NRA, in its concluding recommendations for Middleport, it makes a key point about the model of intervention in the Slater Street area. The NRA suggests the development of a surprisingly local vehicle for regeneration, showing some of the characteristics of a community-based approach:

‘We recommend that the potential for setting up a local housing and regeneration company be explored. A major part of the brief of such a project would be to obtain funds to purchase and improve empty or neglected properties and market them for owner occupation’ (RHS, 2002, p.19)

## **2003-2004**

### ***Emerging plans for Middleport***

In July 2003 an Interim Housing Market Assessment was completed which enabled the newly formed RENEW to declare four areas in North Staffordshire as Areas of Major Intervention (AMIs). Middleport was one of these AMIs and hence plans for Middleport were put into RENEW’s prospectus and submitted to government in March 2004. When presenting the vision for Middleport, the Prospectus makes consistent reference to how Middleport must be better connected to Burslem in order to be sustainable. The vision out for Middleport was:

'To become a 'heritage' suburb to Burslem Town. Its canal, listed buildings and former industrial character will endow it with a unique sense of place. It can capitalise on its connections to a revitalised historic centre whilst offering access to the strategic road network and economic areas that will be at the heart of a more dynamic Stoke-on-Trent. It will be characterised by the rich resource of integrated green spaces within and around the neighbourhood.'(RENEW, 2004, p.87).

The key strategic objectives for Middleport were declared to be: clearing poor quality terraced housing and enhancing the environment; relocating industrial premises; providing homes in line with residents aspirations and financial situations; and, to create a high quality urban environment (RENEW, 2004). Specific references to the Slater Street area point to addressing industrial land between Furlong Road and Navigation Road (which would include the Co-op and Brown's Yard). This would be redeveloped as housing, in part as 'homes for those displaced by renewal activities' (RENEW, 2004, p.87). The Prospectus set out spending plans for Middleport totalling £173m. This comprised approximately £41m for new build housing, £13m for demolition and land costs, £42m in displacement packages and £3m for refurbishment costs. Clearly, the intention at this stage was to invest heavily in new build development. The large amount of money allocated to displacement packages suggested that existing housing that was occupied (as opposed to commercial land) would be the focus of the development.

During this period a Neighbourhood Action Plan (NAP) was developed for Middleport, which divided the area up. In the NAP an area named Middleport East is identified and this is co-terminus with what would become the Slater Street clearance area. Whilst pointing to high vacancy rates in the area, the NAP also provides some qualitative evidence from residents, suggesting 'loyalty to the area is not strong; around two thirds would be willing to leave' (RENEW, 2008a, p.27). The NAP shows that whilst residents supported the idea of improving and maintaining housing, they also acknowledged the need for some clearance in Slater Street which was 'crumbling away'.

## **2005-2006**

### ***The government response to plans and further intelligence gathering***

In March 2005, the ODPM contacted RENEW to tell them they would be holding back funds in relation to their plans for Middleport. In a letter to the Director of RENEW, the ODPM stated:

'...one issue that we did feel was overlooked was the effect that house building in Burslem will have on the size of Middleport. We want you to consider this further as your plans develop...Middleport should be then reconsidered in the context of the pathfinder's scheme update which is due to be submitted to ODPM in September 2005' (ODPM, 2005, p.1-3).

It is not clear from the evidence available how this issue was resolved, but it appears that funds were eventually released by the ODPM.

Shortly after this correspondence, RENEW commissioned an Urban Core Study for Middleport, which would become the AMI Plan. Running alongside this, RENEW commissioned a heritage characterisation study (Booth et al, 2005), and crucially a number of localised NRAs. One of these NRAs would begin in 2006 and would be for Middleport East, i.e. the Slater Street case study area.

### ***AMI community engagement***

This period of developing the AMI Plan and Slater Street NRA, perhaps represents the most intensive period of community engagement by RENEW and its partners. In July 2005 several consultation events were held in the Middleport where the AMI Masterplan was introduced, along with details about the forthcoming NRAs and findings from a ground condition survey. Following these events the AMI Masterplan was approved by the RENEW Board in November 2005 (RENEW 2008a). Shortly after this every household in the AMI received a newsletter, which included a map detailing the broad proposals for their neighbourhood (PS Consultants, 2006). This merely categorised areas into; Housing Priority Areas, Areas for Further Study, Environmental Improvement Areas, Declared Clearance Areas, Development opportunities and Largely Sustainable Areas. Slater Street was declared a Housing Priority area, bordered to the east and south by land with 'development opportunities'.

Along with this newsletter, a short survey was included to gauge the views of residents on core issues (PS Consultants, 2006). In total, 3447 surveys were sent out across the Middleport AMI area, with a return of 580. RENEW received 58 responses from the Slater Street area, a sample of 23% of households. The results from this survey show a number of interesting findings, the most significant being that 50% of respondents 'would agree to their home being acquired and demolished subject to compensation' (PS Consultants, 2006, p.48). The results also showed that 28% of respondents were dissatisfied with the state of repair of their property, and significantly more (57%), were dissatisfied with their street and surrounding area. Only 34% of respondents thought they would still be living in the Slater Street area in two years time. When asked about the most serious problems in their area, the most pressing problems were deemed to be fly-tipping and litter (55%) and criminal damage/vandalism (55%), then derelict properties or homes in poor state of repair (53%). The survey corroborates other evidence that residents were dissatisfied with their area, and perhaps receptive to some form of demolition.

Following this survey, four consultation events were held in February 2006, one of which took place at the Cathedral in Slater Street. The events presented the proposals for the AMI, and conducted a number of qualitative feedback exercises. The first entailed marking a map of the area with different labels, denoting participants' preferred land use for certain sites, and any eyesores. The second exercise related to how money should be spent in the area (a 'Real Money Exercise'). Taking the issue of land use first, a number of residents pinpointed the old Co-op site and Brown's yard as opportunities for redevelopment. Indeed

residents declared these as one of seven 'strategically important' sites in the whole of Middleport (PS Consultants). The results from the Real Money Exercise do not show findings specifically for Slater Street. However, taking Middleport Housing Priority Areas, in general, residents suggested spending the most money on the 'repair of older homes'. The final AMI plan was published in April 2006.

It is hard to say, in retrospect and with only partial evidence, whether this consultation was used meaningfully by RENEW and the local authority. It certainly appears that consultation activities were geared toward residents expressing their aspirations and requirements, and that there was some support for demolition. Yet it is evident that some residents questioned the impact of such consultations on RENEW's decision making processes:

'They said there'll be a full public consultation...Generally, the consultation was a box ticking exercise... We had questionnaires, there were a number of instances where council officers came round. Then you had the surveyors coming round. I engaged, not that that made any difference' (Resident, 2010)

The impact and quality of engagement is an issue addressed in the case study analysis section below.

### ***The 2006 NRA***

As mentioned above, during this period in 2006 an NRA assessment was being carried out specifically for the Slater Street area. Whilst there are references to, and

excerpts from, this document in the Proofs of Evidence given by officers, the full document is not publicly available. It has not been possible to trace the authors of the document and hence when referenced it is cited as RENEW, 2006d. It appears that a substantial part of this NRA focused on stock condition, and as part of this process, all 240 properties in the Slater Street area were inspected against the Housing Health and Safety Rating System (HHSRS). The HHSRS is a risk based approach, aimed at identifying the 'potential risks to health and safety from any deficiencies identified in dwellings' (ODPM, 2006c, p.7). The rating system uses 29 types of hazards, which are grouped into four sets. These are hazards to existing or potential occupiers of a property, rather than specifically related to building defects. For each hazard, the risk is measured and is adjudged to be a category 1 or category 2. Without going into the nuances of the process, category 1 hazards are those that a local authority has a 'duty to remedy'. The Housing Act 2004 (HM Government, 2004, chp.34, p.5&31) declares that:

'...if a local housing authority consider that a category 1 hazard exists on any residential premises, they must take appropriate enforcement action...if the local housing authority is satisfied...that each of residential buildings in the area contains a category 1...declaring the area to be a clearance area is a course of action'.

Inspections of all 240 properties in the Slater Street area showed 128 (53%) contained category 1 hazards (RENEW, 2008c). The decision therefore to class Slater Street as a clearance area was not made on the basis of 'each residential



building' containing such a hazard, but just over half of them. That said, submissions to the public inquiry paint a picture of significant disrepair; ineffective drainage, rotten/unstable woodwork/flooring, structural issues and poor electrical and gas installations. Taken as a whole, the majority of category 1 hazards were 'associated with damp and mould growth and excessive cold' (RENEW, 2008c). The breakdown of category 1 hazards was as follows:

Figure 13: Category 1 hazards in Slater Street

| <b>Category 1 hazards</b>              |            |
|--|------------|
| Excess cold                            | 47         |
| Damp and mould                         | 67         |
| Falls associated with steps and stairs | 2          |
| Structural collapse                    | 5          |
| Food safety                            | 2          |
| Personal hygiene, sanitation, drainage | 2          |
| Domestic hygiene, pests, refuse        | 2          |
| Entry by intruders                     | 1          |
| <b>Total</b>                           | <b>128</b> |

Source: Calculated from data in Appendix III of NRA 2006 (RENEW, 2006d)

As part of the 2006 NRA for Slater Street a socio-economic survey was undertaken, this gathered demographic information and data on housing choices/preferences (RENEW, 2006d). Of the 240 properties in the area receiving a postal questionnaire, 139 returned the survey. It is not clear whether each survey was unique to each

property, or whether different occupiers completed surveys from the same properties. In addition, the data gathered has been used as a representative sample of households in the area, and used to extrapolate conclusions for the total 240 properties. The sample does not produce high confidence intervals and hence this leads to inaccuracies. Unless significant changes in owner occupation took place (i.e. a reduction from 49%, as stated in the 2001 Census, to 31% in this survey) then the sample is skewed toward those in social rented properties. Taking this into account, the survey reveals that the majority of those in owner occupation wished to continue in this tenure, and that the majority of residents in social housing wished also to continue in their current tenure. Owner occupiers were asked how willing they were to sell, and over what period. 48% gave no response and 23% requested further information. 21% said they would move immediately and 4% within 6 months. The survey also asked where residents would move to, giving a number of local locations or the option to move out of the city. 20% percent voted in favour of the latter, with 80% choosing locations within a four mile radius of Stoke on Trent. In terms of property type, the majority of respondents desired semi-detached properties (41%) or terraced housing (37%). Such results show the desire to stay and live locally and to be housed in a property/ tenure similar to their existing accommodation.

In line with Neighbourhood Renewal Guidance (ODPM, 2004), the 2006 NRA for Slater Street developed and appraised a number of options for the area. The 10 step process of an NRA (see Appendix 3) requires the development and assessment of options for intervention, built from an understanding of the wider context (step 1) and information gathering (step 5). For the Slater Street NRA, four options were

developed to tackle the manifest problems, and because these 'mainly related to run down housing' (RENEW, 2008b, p.15) these interventions were housing orientated. The four options, akin to those in the 2002 NRA for Middleport were (RENEW, 2006d, p.15-16):

1. **Do nothing** – no financial investment or enforcement. All improvement/renovation work funded by owners and self-initiated. Demolition at year 30.
2. **Repair to minimum standard** – Remove all category 1 hazards. Largely funded by owners but targeted support through Home Repairs Assistance Grants (max £5,000). Demolition at year 30.
3. **Comprehensive renovation** – Environmental improvements, along with a scheme of refurbishment and maintenance to bring properties up to modern day standards. Mixture of grants and loans, plus owner investment. Review at year 30.
4. **Clear prior to redevelopment** – Clearance of all properties and prepare land for housing redevelopment, primarily to meet housing needs of local people.

The 2006 NRA performed two assessments; an economic assessment and a socio-environmental assessment of each of the options. These two were then combined to decide on the most satisfactory or best course of action (OPDM, 2004).

The economic assessment merely estimates the cost of each option, subtracting any financial benefits from the overall cost. As with the 2002 NRA, net present values (NPVs) were used to demonstrate costs, with discount factors to allow for inflation and the increased value of present expenditure and income. In looking at option 1 ('do nothing'), the costs of routine maintenance and renovation by owners was calculated, along with the cost of acquisition and demolition in year 30. In looking at the 'repair to a minimum standard' option, the cost of making fit all category 1 hazard properties was estimated, along with some renovation and maintenance by owners and acquisition and demolition at year 30. The option of 'comprehensive renovation' included the costs of environmental improvements, comprehensive improvements to all dwellings and maintenance of all properties to year 30. Finally, in looking at clearance prior to redevelopment, the cost of acquisition and demolition of all properties within four years was estimated. Crucially for the latter option, the costs and benefits related to redevelopment were not included. Figure 14 shows the results of the assessment for each, with the values being a net cost for each:

Figure 14: Costs of each option

|   |            |
|---|------------|
| <b>Result of Economic Assessment</b>  |            |
| The overall costs expressed in NPVs of each option are calculated as follows: |            |
| Option 1 - Do Nothing.  | £ 9732451  |
| Option 2 - Repair to minimum standard   | £ 12466799 |
| Option 3 - Comprehensive Renovation   | £ 24648972 |
| Option 4 - Clearance Prior to Redevelopment                                   | £ 19946270 |

Source: RENEW, 2006d, Appendix V of NRA 2006

As can be seen, the two lowest cost options are to do nothing or to repair properties to a minimal standard. Clearance can be seen as the second most costly and comprehensive renovation the most costly. Having reviewed the calculations it seems that a significant error was made in the calculations of option 3. The increase in property values was counted as a negative NPV as opposed to a positive. This means that the net cost of comprehensive renovation was significantly overestimated, because it failed to offset any costs against the benefits of property value appreciation. This issue is explored further in the case study analysis section.

The second part of the assessment looked at which options would best address the non-economic problems in Slater Street. The first step was to identify a range of non-economic criteria that each option would be assessed against. To do this, the consultants responsible for developing the NRA spoke to RENEW staff, and also sent out a socio-environmental survey to residents. In submissions to the public inquiry, it was suggested that:

'criteria were selected based on common themes and the strongest views emerging from responses to the socio-environmental questionnaire...In addition to this, factors relating to the objectives of RENEW were included such as improving house conditions, the overall regeneration context and issues of historical significance. The two factors relating to regeneration and housing conditions were considered to be the most significant in terms of RENEW's ambitions...therefore were given a higher weighting' (RENEW, 2008b, p.20-21).

In the next section the efficacy of this process is analysed, and whether it was right to apply higher weightings to issues important to RENEW and not to those identified by the local community. The final seven criteria for the socio-environmental assessment were therefore:

- maintaining the existing community;
- security and safety;
- environmental conditions;
- heritage;
- resident's views;
- housing conditions; and
- contribution to the overall regeneration of the city.

The scoring of each option against each criterion is detailed in Figure 15. The score given to the option is provided first, then multiplied by the weight of that criterion:

Figure 15: Scores of each option on the socio-environmental assessment

|   | Criteria                       | Wt. | Option 1<br>Repair to minimum<br>standard | Option 2<br>Comprehensive<br>Renovation | Option 3<br>Do<br>Nothing. | Option 4<br>Clear Prior to<br>Redevelopment |
|---|--------------------------------|-----|---|---|----------------------------|---|
| 1 | Maintain Existing<br>Community | 2   | 2x2=4                                     | 3x2=6                                   | 1x2=2                      | 1x2=2                                       |
| 2 | Security and safety            | 2   | 1x2=2                                     | 2x2=4                                   | 0x2=0                      | 5x2=10                                      |
| 3 | Environmental<br>Conditions    | 2   | 1x2=2                                     | 2x2=4                                   | 0x2=0                      | 5x2=10                                      |
| 4 | Heritage                       | 2   | 3x2=6                                     | 4x2=8                                   | 2x2=4                      | 0x2=0                                       |
| 5 | Residents Views                | 2   | 1x2=2                                     | 2x2=4                                   | 0x2=0                      | 4x2=8                                       |
| 6 | Housing<br>Conditions          | 3   | 1x3=3                                     | 2x3=6                                   | 0x3=0                      | 5x3=15                                      |
| 7 | Re-generation                  | 3   | 1x3=3                                     | 2x3=6                                   | 0x3=0                      | 4x3=12                                      |
|   | <b>Total</b>                   |     | <b>22</b>                                 | <b>38</b>                               | <b>6</b>                   | <b>57</b>                                   |

Source: RENEW, 2006d

As can be seen in the bottom row of the table, option 4 relating to housing clearance scores the highest. This is followed by comprehensive renovation, then minimal repair, and finally the option to do nothing.

The socio-economic survey of residents revealed that a majority of residents supported clearance (64%), with only 33% supporting repair or renovation. It is worth noting however that because only 93 surveys were completed, this is a mandate for demolition from only 25% of residents. This issue is revisited in the following section. Suffice to say some residents have questioned whether 64% of residents supported demolition:

‘I think that’s basically rubbish. The majority of people would’ve liked everything to remain as it was...Some people were supportive of development but they were in a minority. Most people had extended family in the area.’ (Resident, 2010)

The fact that 333 such questionnaires were sent out, when there were only 237 households in the study area is also an issue of concern. One of the interviewees in our study suggested that in private rented properties, both landlord and tenant received a survey. As no HMRP officer was made available for interview this issue could not be explored further.

### ***Demolition: The preferred course of action***

In an internal Stoke City Council report, the results of the economic and socio-environmental assessments were presented, in addition to a statement of the most satisfactory course of action (Stoke City Council, 2006a). Combined scores for the two assessments meant that clearance scored highest followed by doing nothing, then repair to a minimum standard, with comprehensive renovation being the least satisfactory course of action. In summing up, the report states:

‘Whilst renovation has been considered as a tangible alternative, the ability to achieve it is to an extent in the hands of local residents and landlords...Clearance would allow the residents to be more suitably housed away from an area with environmental pollution and rising anti-social behaviour...Taking all factors in to account; appraisal of the alternative courses of action indicates the declaration of Clearance Areas to be the most satisfactory method of dealing with conditions in the area’ (Stoke City Council, 2006a).

Part of the financial efficacy of the clearance option was based on the fact that it must be wholesale, i.e. entail demolition of all properties. Given that only 53% of properties in the Slater Street area exhibited category 1 hazards, a justification had to be made for why the other 47% should be cleared. As stated in evidence to the public inquiry, ‘these buildings and land were included as added lands in the Compulsory Purchase Order’ (RENEW, 2008b, p.26).



### ***Overview and Scrutiny***

Based on the above report, authorisation to serve a Notice of Intention (NoI) to declare clearance areas was sought by council staff. In May 2006 the Director of Community and Adult Services approved this recommendation, in the presence of two local councillors. Decisions made by Chief Officers in Stoke City Council are disseminated to all local councillors, who can then 'call-in' the decision if six or more deem this appropriate (or by the Leader of a political group alone). In June 2006 the above decision was called in by the then Labour Group Leader (Roger Ibbs) supported by the Labour ward councillor for Slater Street (Ted Owen). By calling-in the decision, it was passed to the Overview and Scrutiny Commission which could then, if appropriate, pass the issue back to the Chief Officer for reconsideration. In calling-in the decision, it was specifically asked that the issue of renovation be looked at in more detail. In addition, it was suggested that more consultation should be conducted, and that the lack of investment by landlords be explored further (RENEW, 2008b). The minutes of the Overview and Scrutiny Commission (Stoke City Council, 2006b) reveal a number of concerns expressed by local councillors. In his address, Councillor Owen stated how Slater Street residents had held their own meeting, and posted out a separate questionnaire. It was suggested that this questionnaire (the results of which are not available) expressed a majority view of wishing to stay in the area, and that greater investment should be made in it. Councillor Owen acknowledged the need for some properties to be demolished, but stressed that the issue of renovation be revisited, casting doubt on the £24m figure for comprehensive renovation put forward by the 2006 NRA. Supporting this, Roger Ibbs expressed

concern that residents had been told about demolition before the Overview and Scrutiny Commission could look at the decision. Summing up, Councillor Ibbs stated:

‘it was not fair if the residents did not benefit from the demolition...it was an insult that their futures were being discussed and they had not seen the report concerned’ (Stoke City Council, 2006b, p.11).

In response, the Director of Community and Adult Services stated that there were a number of issues with comprehensive renovation, especially in getting the sign-up of residents to a scheme that entailed them also investing money in it. This was supported by the Director of RENEW, who stated ‘he could only agree with the Chief Officer’s recommendations to move to the intention to declare a clearance area’ (Stoke City Council, 2006b, p10).

The Overview and Scrutiny Commission raised a number of related concerns. Two Committee members put forward a motion that ‘implementation of the decision be deferred for four weeks in order to negotiate an equitable settlement with residents’ (Stoke City Council, 2006b, p12). In response, the Chief Officer for Community and Adult Services suggested that this was not possible as this could not start until after the Nol had been declared. Hence, the Commission raised ‘no objection’ to serving the Nol. Letters were sent to all residents on 15<sup>th</sup> June 2006 to notify them of this decision, and their ‘intention to declare a clearance area’ (Stoke City Council, 2006c). An event was held on the 19<sup>th</sup> June for residents to receive more information.

Residents were advised that if they wished to voluntarily sell their property to Council, then they should appoint an agent.

### ***The community's response***

At around this time there was significant community activity, as residents came to terms with the impending demolition:

'We would have large residents only meetings, probably 100 people there, perhaps 200. You'd have another meeting 4 to 6 months later on, fewer people would attend. You could see slowly community activity died. You don't fight city hall. People just felt there wasn't any point...the place was going to go.'

(Resident, 2010)

It appears that residents faced the decision to 'stay and fight' or 'get out while you can' at different stages. Reflecting on this, it seems that owner-occupiers were the ones that faced the most substantial dilemma. RSL and private tenants were likely to be rehoused in places such as Sadler's Park (a new development in the vicinity of Slater Street) and that such relocation was probably favourable to them. However, owner occupiers faced a more difficult choice:

'But what the council did as they were buying up, and a clearance area was declared all of sudden people started to panic, 'what's gonna happen round here' [knock, knock] 'hello i'm from the council, would you like to sell your property to the Council?' The minute that started...the rot set in, they put

shutters on your windows. As soon as that happened then people across the street would say 'eh up, it's started we'll be next and the fear set in'... Another fear was that people would lose money, it didn't work out that way, but people were thinking if we don't go now you know' (Former local councillor, 2010).

As alluded to above, it seems that over time the balance of fight or flight was tipped among owner occupiers, and large numbers sold their properties to the local authority voluntarily.

## **2007-2008**

### ***The serving of Notices of Intention and resident objections***

In March 2007 Nols were served to all properties with a category 1 hazard, which started a 28 day consultation period. In the same month consultation started on the Stoke North Area Regeneration Framework (ARF). This spatial plan sought to develop a vision for north Stoke, and was intended to inform RENEW's forthcoming funding bids, along with the local authority's Local Development Framework (RENEW, 2008a). Consultation with the local community started in March 2007, leading to the development of options in June 2007. Preferred options were presented in May 2008, and consultants were sought to develop a Masterplan for Middleport by January 2009 (see following section).

Following the serving of Nols in March 2007, letters of objection were received from 11 residents; 9 owner occupiers, 1 landlord and 1 resident outside of the Slater

Street area. The evidence submitted to the public inquiry presents a number of these objections. Unfortunately it is difficult to date these, and hence it is difficult to know which were made in 2007 or later in the process. Nonetheless, having reviewed all the objections made to RENEW and the council, the list below summarises their main points (RENEW, 2008a; RENEW, 2008b):

- inadequate compensation;
- the area is no longer being kept clean and tidy;
- condition surveys were not carried out by Environmental Officers;
- the initial report on the decision for Slater Street not was not public and was a closed agenda;
- condition survey included houses that were never inspected;
- social housing was left vacant for many months;
- CPO badly handled and without a masterplan in place;
- a lack of information about the future development of the area including; size of project, level of future population, how things will look, how the community will benefit and which developers are involved;
- lack of clarity over the reopening the canal arm, and no explanation of why they are not building on the Shelton Bar Steel works;
- no masterplan existed prior to clearance, and the Audit Commission criticised RENEW for this;
- initially, residents were told they would benefit from improvements to the area, these included reopening the canal arm;

- the new housing and flats that planned for development are ugly and characterless;
- all 240 properties are currently occupied;
- the houses are being build on unsuitable land;
- it is not clear where the green space be located; and
- it is not clear how transport improvements and access will be made.

Following the consultation period, a meeting was held between city council officers and RENEW to discuss these objections. Letters of response were sent out to objectors on 24<sup>th</sup> July 2007. A number of council responses are of significance. To the issue of inadequate compensation, the council stated that all compensation entitlements have been agreed in line with the 'compensation code' and that property valuations had been conducted as if the properties were not affected by clearance proposals. It was accepted that there would, in some cases, be 'funding gaps for owners wishing to purchase another property' so packages such as hardship grants and relocation loans were being put in place (RENEW, 2008b).

Two objectors posed the question about how the proposed interventions would benefit residents and the local community. In response to these objections, the Council focused on the broader neighbourhood, detailing how service providers had increased their presence in Middleport (such as the Primary Care Trust). It was also stated that residents in the wider area would benefit as the redevelopment of Slater Street would support the regeneration of Burslem. None of these responses detail how the scheme would benefit existing Slater Street residents.

The issue of the Burslem port canal arm, see Figure 11 above, was also questioned by a number of objectors and why this had been abandoned. In response the Council detailed the findings of a feasibility study into reopening the canal arm, which concluded significant public subsidy would be required. This was being considered as part of the masterplan for the area, but was not deemed a fundamental 'driver for the Slater Street CPO' (RENEW, 2008a, p.29). Five of the residents who made objections went on to make representations to the Secretary of State regarding the making of compulsory purchase orders, seeking a public inquiry.

### ***Local policies for supporting affected residents***

It was at this time that RENEW and council republished their policies around financial support for those affected by clearance. RENEW had already made a strong commitment to supporting those affected by clearance in its 2004 Prospectus:

'The Board are committed to minimising the social costs associated with market restructuring and have therefore been working with the local authorities to develop mechanisms to allow people to transfer from their current property to an appropriate tenure in a sustainable neighbourhood' (RENEW, 2004, p.99)

In their submission to the public inquiry RENEW submitted two documents, their 'Renewal and Relocation Loans Policy' (2007a) and 'Housing Renewal Assistance Policy' (2007b). These documents enable estimates to be made of the financial entitlements of those displaced by clearance. The types of financial support are

varied and complex, hence a focus is on those most likely to have been used in Slater Street; disturbance allowances, Home Loss payments, relocation grants, relocation loans, hardship grants and discretionary assistance for private sector tenants. The table below outlines these entitlements and the likely amounts paid per household if the compulsory purchase took place in 2007:

Figure 16: Financial entitlements resulting from displacement

| <i>Entitlement</i>    | <i>What is it for?</i>   | <i>Conditions</i>   | <i>Likely amounts paid</i>  |
|-----------------------|--|---|---|
| Disturbance allowance | To cover expenses such as removal costs, telephone reconnection, professional fees | For those being displaced or under compulsory purchase orders   | This is difficult to establish, but estimates in the 2002 NRA suggested this would be £300 per property (RHS, 2002). With inflation this equates to approximately £360. |
| Home loss payment     | A statutory requirement to pay persons when they are displaced as a result of      | Residents must have been in occupation for one year, and must not have given up occupation prior to authority was authorised to acquire (VOA, 2010) | 10% of the market value of the property, and no less than £4,000 if purchased between Jan-Aug 2007, and no less than £4,400 if purchased between Aug-Dec 2007           |



|  |  |   |   |
|--|--|---|---|
|  | compulsory acquisition                                   |   | (VOA, 2010). Taking the average sale price for 2007 in Slater Street, this is likely to amount to approximately £6000 per property.   |
| Relocation loans<br>(Property Appreciation Loans for Relocation) | To enable those displaced to purchase a new home.        | Owner occupiers must have been in their current home for 1 year, or tenants held their tenancy for 1 year. The replacement home must be within areas defined by the council. The loan is repayable on either the sale of new property, death of borrower or other transfer. | Loans can be made on up to 50% of the free equity in a property. For instance, if the property to be cleared (plus home loss payment) is valued at £55k, and the outstanding mortgage is £20k, then there is £35k of free equity. 50% of this amount can be loaned, i.e. £17,500. |
| Relocation grants  | To 'bridge the gap' where an owner occupier's equity and | Used when a resident is affected by clearance and loans are not sufficient (at discretion of council and means tested). The   | There is no data about the amount of relocation grants given. The only information available is that the maximum  |

|   |  |  |   |
|---|--|--|---|
|   | their relocation loan are not sufficient to secure an equivalent property          | replacement property must be equivalent and within specified locations. The replacement property must meet decency standards and the resident must live there for 5 years or pay the grant back.   | awarded is £25,000.   |
| Hardship grants                             | Where grants and loans still leave a gap in finances to purchase a equivalent home | Where there are high levels of indebtedness, i.e. where the maximum 50% of free equity is loaned and this is still insufficient. This grant may also be used when a larger home needs to be secured or a property must be adapted because of a disability. | There is no evidence available about the amount of grants paid or maximum amounts           |
| Discretionary assistance for private sector | To support private sector tenants in non-secure                                    | Those eligible must be subject to displacement as a result of clearance, and have occupied the   | An interest free loan of two month's rent, capped at £500. Also includes payment for credit |

|         |            |  |                  |
|---------|------------|--|------------------|
| tenants | tenancies. | property for 1 year. It is provided to tenants wishing to stay in the private rented sector. | reference checks |
|---------|------------|--|------------------|

In addition to these financial entitlements RENEW and partners had developed a Homeswap scheme that, where possible, would enable residents to secure a replacement property from a housing association or developer. This property would be in the same area as their current property. This was deemed a 'key-for-key' solution (RENEW, 2008b, p.42) and was 'being used' at the time of the public inquiry. It is estimated that only eight properties were acquired and refurbished by Midland Heart RSL for those affected by clearance to rent (RENEW, 2008a). There is no evidence to suggest the HMRP or local authority considered decamping residents and then rehousing them in the new development. This eventually led to the wide displacement of residents, as suggested by a former local councillor who stated:

'Get a packet of seeds, chuck 'em up in the air and let the wind blow, that's where they've gone. People were never given the opportunity to stay as a community. They've gone everywhere and nowhere' (Former local councillor)

### ***Acquisition and its consequences***

Following the Nol, a number of properties affected by clearance were acquired by the Council through voluntary acquisition, 83 in the first year of the scheme and 73 in the second. By the end of 2007, as more residents moved out and the acquired

properties became vacant, there were increasing incidences of theft, vandalism and arson. A multi-agency task and finish group was set up to address this with £30,000 of investment from RENEW (RENEW, 2008b). The group attempted to address poor environmental conditions and established a dedicated police presence in the area. Nonetheless, 'high levels of anti-social behaviour and criminal activity continued' (RENEW, 2008b, p.43). It was in this context that other public service providers began to support the speedy clearance of Slater Street, including Staffordshire Police who stated that they 'actively support the demolition of these vacant terraces' (Clarke, 2008).

Despite this seemingly proactive action by local agencies, residents and local councillors were critical of the level and timeliness of such interventions:

'The police did very little, they stepped back. People were coming in the night, pinching bricks from the wall, or taking tiles off the roof, slowly the thing deteriorated...can we have gates at the end of entries...oh no we can't that's going to cost too much' (Former Local Councillor, 2010).

The spectre of demolition was serving to exacerbate such criminal activity. As the prospect of demolition grew and more properties were acquired and boarded up, it fuelled the sense that the area and people's properties were obsolete. This is likely to have affected valuation prices for properties, although such valuations were conducted as though demolition proposals were not in place.

### ***Updated information on stock condition***

In November 2007, the results of a stock condition update were published. This provided specific details on stock condition in Slater Street's broader AMI (called MBEV), and its ward (Burslem South). The results confirm earlier findings on stock condition. Firstly, the number of category 1 hazards in MBEV was by far the highest for the AMI areas, some 40% higher than the next worst AMI. This was corroborated by the fact that Burslem South had the highest percentage of category 1 risks present among any ward in the city. There is little doubt therefore that stock condition in the area was deemed a pressing issue.

### ***Compulsory purchases and the start of demolition***

In January 2008 a meeting of the Executive and Members Board (EMB) took place to discuss the next stage in the clearance process. A report was submitted by Council staff seeking approval to declare a clearance area and start making compulsory purchases. The EMB approved the recommendation, and this decision was not called-in by local councillors. In March 2008 compulsory purchase orders were made to remaining residents, requesting that any objections be made to the Secretary of State. Figure 17 below shows Slater Street in March of 2008:

Figure 17: Slater Street in March 2008



Source: Pits n Pots, 2008

Up to this point, whilst a large number of properties had been acquired, few had been demolished. In June 2008, citing worsening conditions in Slater Street, the Council proposed to begin demolition work on 111 of the properties that they had already acquired (see Figure 18 below). The justification for this was based on the high incidences of criminal activity, poor environmental conditions and two instances of arson. A letter was sent to remaining residents to seek their views, and in response six residents objected. These objection letters are not available.

Figure 18: Proposal to demolish 111 properties



Source: RENEW, 2008

Despite these objections, in July 2008 it was decided that 72 of 111 properties would be demolished 'in key terrace blocks which will remove the target for crime' (RENEW, 2008b, p.45). This represented a scaled down proposal and 'consideration was made of where properties were still occupied'. In a letter to residents, it was suggested that demolition work would start in August 2008, and that the council would work with residents on 'landscaping schemes or art projects to further enhance the appearance of the sites' (RENEW, 2008d, p.2).

This act of agreeing to start the demolition is a decisive one. Reflecting on this fact, and the impending public inquiry, an interviewee noted:

‘They started demolition before the public inquiry. I rest my case on what the council thought of the public inquiry. They’d decided that they were going ahead.’ (Resident, 2010)

### ***RENEW’s funding and allocations for Middleport***

It was around this time that RENEW’s 2008-2011 Business Plan submission was supported by CLG, and RENEW secured £114m in HMR funding. This translated to £40m of investment of HMR money in the Middleport/Burslem AMI, matched with £8.5m from the Housing Corporation, £3m from Stoke City Council and £20m of private finance. This investment would be shaped by the Middleport and Burslem masterplan commissioned in July 2008, and due to be delivered in 2009.

### ***A CLT for Slater Street***

To support the development of this masterplan, the Middleport, Burslem and Etruria Valley (MBEV) Forum was established. It included representation from residents, RENEW, the local Neighbourhood Renewal Team, RSLs, local councillors and a consultant. At one such meeting during this period, a representative from the local RSL presented a number of housing options for the masterplan area. One of the options entailed the development of shared ownership properties valued at ‘£150-160,000’ (Resident, 2010). In response to such high prices, the consultant working with MBEV asked whether residents had considered a Community Land Trust (CLT)



model. One resident began to research the model in more depth, with RENEW providing funding for them to attend a CLT conference in London. Following this and subsequent research, this resident approached a RENEW member of staff:

‘...I had a long chat with the guy from RENEW...if RENEW were willing to do some deal over a piece of land...you could use the existing housing stock to refurbish...just ideas...one of the possibilities’ (Resident, 2010).

Following this initial discussion, which was inconclusive, the resident spoke to someone from a national funding body that had received a shortage of applicants to their CLT grant programme. This seemed at the time like a prime opportunity to lever in some funding to look at CLTs in more depth. It appears that no application was made and this points to some interesting issues in terms of communities initiating a CLT through voluntary action:

‘I was working away at the time. There were lots of reasons...you really need staff, it can’t be done alone, it’s a real struggle (Resident, 2010).

Nonetheless, around this time, a presentation was made to the MBEV forum by the consultant and the above mentioned resident. It appears that the general concept of a CLT was presented, and the suggestion that it may be applied to Slater Street pre-demolition. The idea, as it was broadly conceived, was to undertake selective demolition so that ‘every sixth property would go and create parks’ (Resident, 2010) with the rest being fully refurbished. It seems the presentation to MBEV did not have

the desired outcome of mobilising residents, and whilst the local MP became supportive as a result, the idea was seemingly too complicated for residents to buy-in to:

'It went over the head of residents...It was a good idea, but we didn't put it across in the right way at the right time to right people' (Resident, 2010).

Much of this is inconsequential however, as RENEW seemingly could not support the idea. The CLT would need to take ownership of the land and assets at a much reduced price (for instance £1). This would enable the finance to be raised against this asset to fund the selective demolition and refurbishment. However, it seems that this financial decision was not one RENEW would even explore:

'I don't think it was ever really an option from RENEW's point of view...I think because they couldn't get their head round it. If you have a million pound property they'd have to sell it over a period of years...cash flow...Their model was that they'd own the land...they'd deal with the funding as a less risky option' (Resident, 2010).

To compound this, the loss of a community activist had a negative impact on developing the CLT, as well as community spirit more broadly. Her death seems to have had a powerful affect on the remaining residents, and her loss highlights the importance of active community members in mobilising community support. The local residents association were not active in presenting alternatives to demolition,

nor outwardly supportive of the idea of a CLT. Advocates of a CLT in Slater Street suggest that they needed a 'nucleus of people' that could drive it forward. The loss of a community activist appears to have been central to developing this nucleus.

An interviewee suggested that if RENEW had been more supportive of the idea it would have perhaps made it off the ground; 'they can facilitate things, if it's something they're not happy with it becomes a struggle' (Resident, 2010). But this was not the sole reason a CLT failed to evolve. It appears that the development of certain infrastructure was crucial. Having a formalised group that could secure funding would have enabled this group to employ someone to do the detailed technical work of designing the CLT. Reflecting on the issue of a CLT for Slater Street, an interviewee suggested that its development never got beyond an embryonic idea (Resident, 2010).

### ***The public inquiry***

In September 2008 a public inquiry was heard into the clearance of Slater Street and whether CPOs could be issued. Despite the availability of significant amounts of evidence submitted to the inquiry, very little is known about the process in question. Press articles at the time suggest that much of the evidence detailed in this case study was presented to the inspector to support the case for demolition. It is also clear that a number of residents' queried whether demolition had the support of local people (The Sentinel, 2008). This process concluded in October 2008 with the Secretary of State due to declare their decision in February 2009.

## **2009-2010**

### **The government's decision on compulsory purchase**

In March 2009 the then Secretary of State for the Department of Communities and Local Government approved the making of CPOs in Slater Street. Delivering the verdict of the inquiry, the lead inspector stated that there was a 'compelling case in the public interest to confirm the compulsory purchase order' (Pitts n pots, 2009). By March 2009 much of Slater Street had been demolished anyway, with 198 of the 237 properties having been cleared and six properties yet to be acquired. In response to the verdict from the Secretary of State, remaining residents voiced their concerns:

'We will have lived here 29 years in July. We don't want to go from owning our own home to living in council accommodation. All the houses they have shown us are out of our price range, so we are stuck' (The Sentinel, 2009a).

The sense that the battle had been lost by objectors is summed up by the testimony of one resident who, after the verdict, stated they 'wouldn't want to stay in Middleport now because it is turning into a waste ground' (The Sentinel, 2009a). From the evidence available it appears that CPOs were issued to remaining residents in the spring of 2009.

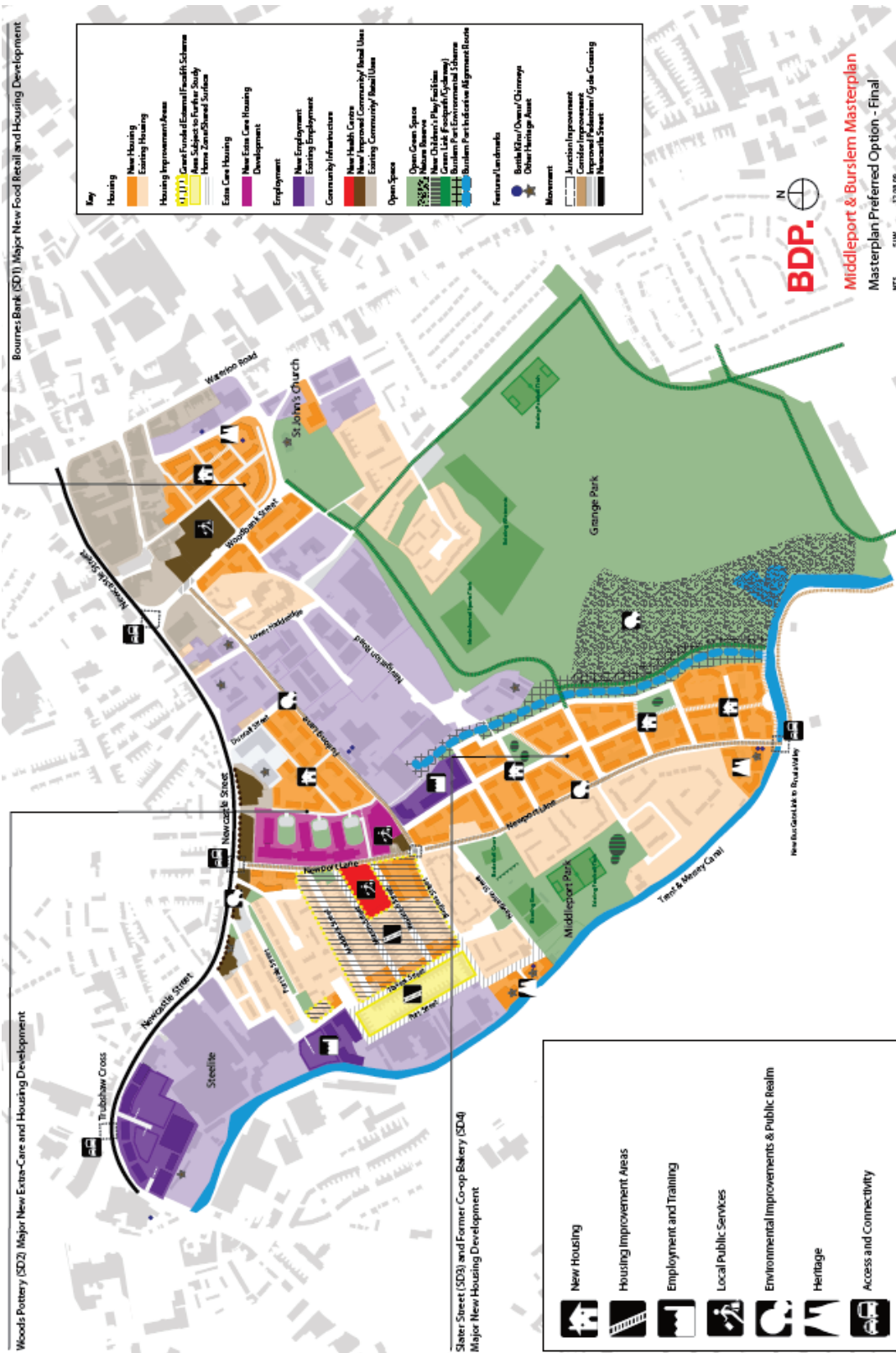
### ***The Middleport masterplan***

In the spring and summer of 2009, consultants appointed by RENEW were developing a masterplan for Middleport. Consultation was undertaken with residents

from across Middleport on the options for the area. Option 1 entailed new housing development in Slater Street and areas to the north and east. Option 2 included these developments, but also included new house building on the old Co-op site bordering the southern end of Slater Street. Option 3 focused on refurbishment of areas other than Slater Street and the creation of a nature reserve around the Burslem port area.

In August 2009, the final masterplan (BDP, 2009) was developed which seems to have incorporated elements of all three options (see Figure 19 below). As can be seen, housing development is not restricted to Slater Street, with the co-op site planned for development. Along with this, the plan commits to reopen the Burslem Port canal arm with the said nature reserve. The 15 year plan was said to entail £16m of investment from different sources (The Sentinel, 2009b).

Figure 19: Middleport masterplan 2009



Source: BDP, 2009

As the masterplan developed, the disputes with resident objectors continued. As the council and RENEW sought to agree valuations with remaining residents, progress on the scheme began to stall. A newspaper article in 2009 presented the story of one resident who had disputed the valuation of his property (The Sentinel, 2009c). This resident was told his property had been valued at £75,000. This was in contrast to the valuation he had received from his own valuer, who suggested the property was worth £93,000. Reflecting on this fact the resident stated 'I think if the city council accepted the value given by your own valuer, then 95 per cent of people would agree to move out' (Sentinel, 2009c).

### ***Conditions and community sentiment in 2009***

By 2009 Slater Street had been largely cleared, and the land prepared for development. Figure 20 and Figure 21 show the physical condition of Slater Street in October 2009 (Junction 15, 2009).

Figure 20: Clews Street 2009



Source: Junction 15, 2009

Figure 21: Dimsdale Street in 2009



Source: Junction 15, 2009

Newspaper articles at this time suggest local views about RENEW's interventions were mixed. Such a diversity of views was something one of the interviewees alluded to:

'Once the idea had sunk in, some people were happy because they were getting large sums of money in relative terms. Someone who paid £1-2k for their house and RENEW was offering them thirty to forty thousand. Other people were very unhappy, their home was their past. They'd spent a lot of money on it, and wouldn't enable them to get a similar property elsewhere' (Resident, 2010).



Some local business owners were critical of RENEW's interventions, which had resulted in falling profits for their businesses (The Sentinel, 2010a). However residents in streets adjacent to Slater Street, who were not subject to demolition and had received funding to improve their properties, felt positive about RENEW's activity. Such residents were calling for the speedy demolition of Slater Street, suggesting 'it will be even better when the houses marked for demolition are knocked down' (The Sentinel, 2010c).

### ***The impact of the recession and general election***

In 2010 local councillors were also calling for the speedy demolition of the remaining properties, stating that 'putting demolition on hold is just prolonging people's pain' (The Sentinel, 2010b). The chair of the local residents association, echoed this sentiment but added that if the properties were not to be demolished soon 'then the council and RENEW should bring them back into a habitable condition (The Sentinel, 2010b). But it seems RENEW had little choice in their actions, as the recession had created reticence among developers:

'Plummeting land values during the recession wiped out any profit margin for the housebuilding firms which had been lining up to fill the clearance sites with high-quality homes... Now Renew cannot continue to demolish because it can no longer afford to entice reluctant builders onto the cleared sites' (The Sentinel, 2010b)

This air of uncertainty was being made more acute by the impending general election, and the impact of different political leaderships on housing policy. As the UK's coalition government was forming in the summer of 2010, there were suggestions that £50m of cuts would be made to the HMRP programme budget (Regeneration and Renewal, 2010).

### ***Slater Street development plan***

Despite the above, a Development Brief (BDP, 2010) was published in August 2010 for Slater Street which incorporated the co-op site to the south, setting the vision for the development as follows:

'A critical mass of new residential development on these sites, carefully integrated with the retained properties on the Slater Street site will help to retain existing and attract new residents to the area, helping to diversify Middleport's housing offer so that it meets the needs of families and achieves a balanced population structure' (BDP, 2010).

In the development outputs the density, size and tenure of dwellings is detailed, as well as the split of development across the Slater Street area and the co-op site. Across the two site densities of between 45-55 dwellings per hectare were to be achieved. This would including 2, 3 and 4 bedroom 'houses' that will deliver a tenure split of 75% private and 25% affordable/social rented properties. The co-op site would provide purely private homes for sale, meaning the Slater Street area would have a high percentage of affordable/social renting to meet the desired tenure split

across the site as a whole. The Development Brief suggests that Slater Street would deliver a minimum of 79 dwellings, with space allocated for B2 employment, and the co-op site 84 dwellings. The design concept is presented in Figure 22 below:

Figure 22: Design concept for Slater Street and co-op site



Source: BDP, 2010

### ***Prospects for development***

At the time of writing (summer 2010) it is not clear at what stage this development is at, or whether developers have been identified. Some residents still remain in Slater Street, in properties earmarked for demolition.

### **5.3     *Analysis of the intervention***

The following section scrutinises the evidence presented above. The aim is to judge whether the theoretical propositions developed in Chapter 4 are valid for the case of Slater Street. To remind ourselves of these propositions they are as follows:

- I.     HMRP demolition programmes can fail to capitalise existing residents
- II.    HMRP demolition programmes can neglect the empowerment of residents
- III.   Interventions that account for the above two propositions will be more effective

The analysis is broken down into three sections corresponding to the propositions above; assessing levels of capitalisation and empowerment, before offering some concluding thoughts on interventions that may capitalise and empower.

#### **5.3.1. *Capitalisation***

In the course of developing the case study, a detailed review of Stoke City Council's policies has been undertaken. Specifically, policies on financial assistance for those displaced by clearance have been reviewed. Throughout it is striking how the overarching sentiment is on 'bridging gaps' in finances for those displaced, or minimising 'social costs'. The act of providing assistance is presented as a regulatory requirement, rather than an opportunity to provide recompense for certain actions or to capitalise residents so they may increase their own wealth and assets.

This is clearly evident in the council's stated desire to move from 'a grants only policy' to a system of 'using grants only in exceptional circumstances and utilising a system of loans and equity release products' (Stoke City Council, 2007b, p.5). Such a decision is a local one, as the national regulatory requirements for housing assistance allows significant room for local discretion. The Regulatory Reform Order (Housing Assistance) England and Wales (HM Government, 2002, p.5), allows assistance to be provided, by a housing authority, to any person in order to acquire, adapt, repair, demolish or construct a property. Crucially it states that assistance can be provided in 'any form' and may be 'unconditional or subject to conditions'. Hence the decision to be conservative in providing financial assistance is a definitively local one.

In the last chapter the arguments for the capitalisation of low income households were made. Hence it is important to tackle the question of whether such conservatism in financial support is appropriate. First, however, it is essential to address whether these policies and their implementation actually resulted in the capitalisation or de-capitalisation of residents in Slater Street. Such an issue is not easy to resolve given limited access to those residents that were displaced. However estimates can be made. In the case of social and private rented tenants in Slater Street, some small capitalisation will have taken place after displacement. It appears that most social housing tenants were relocated to nearby RSL properties rather than being supported into owner occupation. Hence, very little capital wealth will have been created by enabling renters into owner occupation. Nonetheless they may have received home loss payments and disturbance allowances equating to £4500.

Private tenants will have also have received such payments if they met the stated criteria, plus the discretionary assistance that amounted to the payment of two months' rent.

In the case of owner occupiers, it is perhaps more difficult to assess whether their capital wealth increased as a result of the intervention. Making such assessments has entailed looking at the average financial settlement for owner-occupiers in Slater Street, and comparing this with the average price of a terraced property in Stoke in 2007. This approach has helped judge whether the intervention provided sufficient capital for such residents to afford an average priced terraced house. This would mark a step up from the lowest priced housing in the City (which Slater Street represented). In this sense it is a conservative measure of capitalisation in the form of housing. Taking the year 2007, sales of properties in Slater Street (the majority of which are likely to be voluntary acquisitions by the Council) were sold at an average price of £60,382. Such prices were achieved because valuations were made as though no demolition programme was in place. The average price of a terraced house in Stoke in 2007 was £77,000, making a shortfall for Slater Street residents of approximately £16,600. The average Slater Street owner occupier, in addition to their £60,382, would have received approximately £360 in disturbance allowances and £6,000 in home loss payments, therefore receiving a total of £66,742 after compensation. This makes a shortfall of approximately £10,000 against the price of an average terraced property for Stoke, so it is likely that property appreciation loans (and potentially grants) were used to bridge the gap. Private landlords, as with other owners, will have received a price higher than the normal market value for their

property (i.e. the valuation was done without allowing for demolition plans). However they will not have received the statutory home loss payment.

Clearly this calculation is based on averages and estimations, so it does not represent each household's circumstances. Some owners may have bought their replacement property at a price lower than the city average, and therefore generating some cash surplus or decreasing their mortgage. Nonetheless, it is a reasonable conclusion to make that residents did not receive compensation and property valuations that markedly increased their capital wealth. The process of displacement did not, in any significant way, increase their net wealth.

If those displaced have just as much capital after displacement as before, can such an intervention be said to have worked? Have the right people benefited? If the opportunity to capitalise displaced residents is missed, is poverty merely moved from one location to another? A retort to such questions would be that regeneration is about much more than capitalisation, and if those that were living in sub-standard accommodation were eventually moved into 'decent homes', then some regeneration objectives have been achieved. Indeed there is much research that demonstrates the breadth of social impacts stemming from poor housing (Friedman, 2010; Harker, 2006), and how addressing these improves people's lives. Reflecting on the case study it is likely that a number of residents were rehoused in better quality accommodation, with fewer category 1 hazards, and will have felt the benefit of this. Many of the financial support packages offered to residents could only be redeemed if their replacement properties were 'decent' or at least mortgageable. It must be

acknowledged however that only half the properties in Slater Street had category 1 hazards, so improvements in housing condition may have only been felt by a percentage of residents. Irrespective of improvements in housing condition however, it is likely that a number of residents will have lost the social ties that they had formed in Slater Street. No evidence was found to suggest that displaced residents were to be rehoused, or given priority for housing in the new development. Hence existing social ties are likely to have been lost. Having 'supportive relationships' as well as a sense of 'trust and belonging' are central components of wellbeing, as defined in the National Accounts of Wellbeing (NEF, 2009b). The intervention may also have affected the 'personal wellbeing' of some residents, impacting on their mental health as demonstrated by Qouta et al (1998). An assessment of such wellbeing has not been undertaken in this case study, but it is important to acknowledge that the benefits accrued from rehousing are perhaps offset by impacts on wellbeing.

But even if Slater Street residents have generally speaking been relocated to better housing, and even if their wellbeing has been preserved, this does not resolve the issue of capitalisation. As noted in the previous chapter, increasing the wealth of low income households, and enabling greater homeownership, is a catalyst for wider social outcomes. In conclusion, whilst the intervention in Slater Street did not significantly decapitalise residents, it did not increase their capital wealth and this was an opportunity missed.

There is another angle to the issue of capitalisation that has only become clear in the course of the case study; the ethics of the decision. In 'calling in' the decision to



declare a clearance area, local councillors pointed to the moral imperative to recompense those displaced, because it was what they deserved. As noted in the case study, the then Leader of the Labour Party in Stoke stated;

‘It was not fair if residents did not benefit from the demolition’ (Stoke City Council, 2006b)

It seems right that the act of acquiring and demolishing someone’s property should result in significant recompense for that individual. The moral case for this seems intuitive; such an intervention is an impingement on the rights of an individual. In the Public Inquiry, the then Housing Standards Manager at Stoke City Council cited the following from the Articles of the European Convention on Human Rights (Council of Europe, 1952):

‘Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest... The preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest’

Whilst the protection of possessions is important, such rights can be forsaken in the ‘public interest’. This is a truly utilitarian caveat which has its foundation in the idea that ‘it is the greatest happiness of the greatest number of people that is the measure of right and wrong’ (Bentham, 1776, p.3). The application of such utilitarian ethics

means the decision to demolish can often be made if it is in the broader public interest. But these codes of ethics contrast with those of libertarians, who would argue that:

'a minimal state limited to the narrow functions of protection against force, theft, fraud, enforcement of contracts, and so on, is justified; that any more extensive state will violate persons' rights not to be forced to do certain things' (Nozick, 1974, p.ix).

This thesis is not concerned with the validity of certain moral theories. Such ideas are presented to demonstrate that support for demolition, and conversely the opposition to it, have their basis in different moral codes. Looking at the evidence of the case study, there are persuasive libertarian objections to demolition that should not be overlooked; that forcing individuals to do certain things, such as forsake their property, goes beyond an acceptable role for the state. Such a moral objection, expressed by local councillors in Slater Street, adds weight to the imperative of capitalising residents as a successful regeneration strategy.

Perhaps then demolition was judged to be the most satisfactory course of action because the alternatives were so undesirable. Perhaps the decision to demolish was made because other alternatives would not capitalise residents, or were not financially viable. As detailed above, when the 2006 NRA reported on the options for Slater Street, the combined scores for the economic assessment and socio-environmental assessment suggested demolition was the best course of action.

Whilst it scored low on cost, it scored high on meeting the socio-environmental criteria, and hence had the highest combined assessment score. But what of comprehensive renovation, was this a financially viable option? As seen in some of the testimonies of our interviewees and the NRA survey responses, there was support for some form of refurbishment combined with selective demolition. In the 2006 NRA, comprehensive renovation scored lowest on the combined assessment and was the least preferred option. Whilst it scored second highest on the socio-environment assessment, it was deemed the most expensive and therefore had the lowest combined score (as a result of the economic assessment carrying more weight in the combined score). In addition to the scoring it appears that pragmatic concerns were being raised that not all residents would sign-up to a renovation scheme as they would all need to make a personal investment. Nonetheless, in hypothetical terms comprehensive renovation seems to have been the best option for capitalising existing residents, particularly owner occupiers. The 2006 NRA suggests that such a scheme would have increased total property values by £13.7m, significantly increasing the capital of existing owners/landlords. In addition, such a scheme would have addressed a number of the other criteria in the assessment such as maintaining the existing community, preserving heritage and improving house conditions. If such an intervention included schemes to enable those renting to access ownership, then further capitalisation would take place.

It is with some regret then that a simple mathematical error in the economic assessment of comprehensive renovation meant that it was deemed the most expensive, when actually it was the most cost efficient option. In Figure 23 below, in

the column entitled NPV, the amount for increased market value is £13,754,586.

This is crucially expressed as a positive amount, which is correct as the up-lift in value from renovation is a benefit that should be subtracted from the costs.

However, in the 'Total' at the bottom of the NPV column, the increase in market value has been counted as a negative. Hence the total NPV for comprehensive renovation is stated to be –£24,648,972, when actually it should have been a positive £2,860,182. In essence, comprehensive renovation was the only option that delivered a net economic benefit, and would have been deemed the most satisfactory course of action if the scores were recalculated.

Figure 23: NPV calculations for comprehensive renovation

**Option 3 – To promote comprehensive renovation.**  
Comprehensive improvement of the houses together with environmental improvements to secure the long-term future of the area.

| <i>Year</i> | <i>Action</i>                               | <i>Cost/Benefit (£)</i> | <i>Discount Factor</i> | <i>NPV (£)</i>         |
|-------------|---|-------------------------|------------------------|------------------------|
| 1           | Environmental improvements to the area      | 2400000                 | 0.93                   | -2222222               |
| 2           | Comprehensive improvements to 240 dwellings | 8400000                 | 0.86                   | -7201664               |
| 5           | Increased market value                      | 21600000                | 0.68                   | 13754586               |
| 15          | Maintenance of 240 dwellings                | 1200000                 | 0.32                   | -378290                |
| 20          | Maintenance of 240 dwellings                | 1200000                 | 0.21                   | -257458                |
| 30          | Comprehensive improvements to 240 dwellings | 8400000                 | 0.1                    | -834770                |
|             |   |                         |                        | <b>Total -24648972</b> |

Whether demolition had factual and practical grounds for support is an issue for discussion. It is clear however that errors were made in the calculations of cost/benefit for comprehensive renovation, and therefore the evidence did not support demolition as the best course of action.

So what is the relevance of this to the issue capitalisation? It is an unfortunate irony that the error in the calculations relates to the increase in market value of renovated properties. It is this very increase in values that would achieve the outcome this thesis has argued for; the capitalisation of residents. As renovations were completed, property values would increase, and it would be existing owners who would realise this up-lift and increase in capital. Hence the error leads to an underestimation of the benefits of renovation, and specifically, underestimates the benefits of capitalisation.

Knowing now that house prices were to stall in 2008 and 2009, the estimate of £13,754,586 up-lift from renovation was too high. From 2007 to 2010 the average price of terraced house in Stoke-on-Trent actually fell from £77,000 to £74,000. Nonetheless, even if the up-lift in values from renovation was calculated at a minimal amount, comprehensive renovation would still have been the most cost efficient option.

Putting such errors aside, perhaps RENEW would suggest that comprehensive renovation was impractical. Securing the sign-up of all residents would be impossible because of the need for residents' own contributions. Such was the view of the Director of Community and Adult Services at the council at this time (Stoke City Council, 2006b, p.10):

'If there was major refurbishment, money would also have to be found by residents themselves, in which case, questions would need to be asked, such

as if owners could afford refurbishment costs and how long the property would stay in good repair'.

Reflecting on this and other evidence presented against refurbishment, it is clear that the presumption was that only small investments could be made in residents' properties by RENEW. Why was this so? If £18.7m NPV could be spent on acquisition and compensation under a demolition scheme, why could this not be spent on the 240 properties in Slater Street to bring them up to modern standards? Acquisition and compensation equated to a cost of £77,000 per property, much more than the £30,000 per property predicted in the calculations for comprehensive renovation. Perhaps the retort would relate to cash flow, i.e. that the expenditure of £18.7m could be made by RENEW as it would realise a return on this when the land was sold to developers. However, because the demolition option was not assessed for future benefits (neither economic, social nor environmental) this will never be known.

To conclude, it is clear that the intervention chosen for Slater Street as the most satisfactory was not the one that best capitalised residents. Errors were made that underestimated the benefits of capitalisation. Practical issues and considerations about cashflow may be raised in response. However, if the 'social costs' of demolition (RENEW, 2004) are to be prioritised, then comprehensive renovation would seem the preferred chosen option. If however, in the utilitarian spirit, the losses of displaced residents were to be offset by benefits to surrounding and new residents, then this should have been made explicit. It is argued that this could not

be explicit because of the libertarian objections such as those given by local councillors.

### **5.3.2. Empowerment**

In reviewing the case study evidence there are numerous instances of consultation by RENEW and partners. Looking purely at the quantity and structure of those consultations, it is clear that steps were taken to find out the views of Slater Street residents', most notably their preferred intervention. Such consultation activity included locally held events to gather residents' views, interactive exercises around land use, consultations on spending plans and strategic development sites, and surveys to gather a variety of data; including demographic information, housing preferences/choices and views on preferred interventions for the area. In addition, local forums were set up comprising both professionals and resident representatives to discuss issues and interventions. There is then no doubt that consultation was undertaken, and that at key points when a decision about the preferred intervention was needed residents' views were sought.

But were residents empowered? Using the government's definition of empowerment, developed around the time of the public inquiry, it is legitimate to ask whether residents were given the 'power to shape and influence' the eventual interventions of the HMRP (CLG, 2007, p.12). Those answering in the affirmative would point to the socio-environmental survey (as part of the NRA 2006) that asked residents for their preferred intervention. In this survey nearly two thirds of respondents deemed

clearance their preferred option, which gave RENEW and partners the community mandate to proceed with this option. If the decision had been made to do something other than demolition, RENEW and partners may have received criticism for not listening to residents' views.

So, in some respects, the community did have a decisive influence over the chosen intervention. But it is a valid question to ask what sort of mandate the above survey provided. Detailed above are the anomalies in the number of surveys that were sent out (which is likely to have skewed results in favour of tenant and landlord preferences). Also detailed above is the issue of having only 25% of households form a mandate for intervention. Objectors to demolition suggest that greater investment should have been made in conducting face to face interviews, and ensuring every household was contacted through a variety of methods (Former local councillor, 2010). Such mixed methods have been used in other HMRPs to achieve appropriate sampling (Hull Gateway, 2006). So how confident can we be in the statistics from the socio-environmental survey? Calculating the confidence interval for the surveying reveals that we can be 95% confident that results wouldn't have varied by  $\pm 7.65\%$  if every household completed the survey. Therefore at worst, support for demolition would have been 53% and at best 72%<sup>4</sup>. Even with the lowest possible level of support demolition would still have been the preferred option. Perhaps then, concerns around mandate relate more to ensuring everybody can have their say, rather than stressing representative value.

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<sup>4</sup> A note of caution is needed here that such statistical tests rely on random sampling, and in this case it is likely that the sample was skewed toward tenants and landlords.



Despite this, some of the processes and decision-making by RENEW and its partners did not serve to empower residents. A seemingly small and subtle decision made in the 2006 NRA reveals a genuine level of disempowerment of Slater Street residents. This is perhaps symbolic of a broader mentality. In developing the criteria for the socio-environmental assessment, residents' views directly led to the formation of a number of criterions. These were supplemented with a set of criteria from RENEW. In a crucial decision about how to score the options against the criteria, it was decided that RENEW's criterions should receive a higher weighting than those from the community (RENEW, 2008b, p.21):

‘The two factors relating to regeneration and house condition were considered to be the most significant in terms of RENEW's ambitions for the AMI and therefore given a higher weighting’

It is difficult to translate the impact of this on the decision to demolish. What it does demonstrate however is that in the crucial process of deciding how to assess the options for intervention, the objectives of RENEW were given a higher priority than those of existing residents. Viewed cynically, this act could be seen as an attempt to drive through RENEW's ambitions irrespective of the wishes of existing residents. Even in a sympathetic light, it appears to be somewhat heavy-handed.

Similarly the decision to demolish all properties in Slater Street, by classing non-category 1 hazard properties as ‘added lands’, seems heavy-handed. Only half the properties in Slater Street contained such hazards, and this raises questions about

whether it is legitimate for 'added lands' to constitute nearly half of a demolition programme. It is argued that in order for demolition and rebuild to have 'stacked-up' financially the whole site needed to be cleared. Some residents and local ward councillors were in favour of selective demolition, which would have seen those properties with the most severe hazards demolished, and those in a decent state of repair retained and refurbished. It is not known why, in neither the 2002 NRA nor the 2006 NRA, the option of selective demolition was not assessed.

Empowerment is about more than just influencing decisions. In the CIH's good practice guidance on community engagement, it expresses the need for HMRPs to 'support independent community initiatives' (CIH, 2007, p19). The emphasis throughout the case study shows that RENEW's emphasis was on consulting residents, rather than handing over control or engaging them in the co-production of any intervention. The failure to explore the option of a CLT is an example of this, which represented an opportunity for RENEW and partners to look at more community-led interventions. As shown, there was some support for a CLT from individual residents, the local MP, community activists, and supporting consultants. But as Chapter 4 shows, developing a CLT is highly complex and the case study confirms this. Specifically, it shows how difficult it can be to convey the value and operation of a CLT to residents. One of our interviewees highlighted the difficulties in initiating a CLT purely through voluntary action, and this concurs with the broader evidence base regarding the creation of urban CLTs in the UK. Specifically the case study corroborates the suggestion that an over-reliance on a small number of volunteers is a risk to development (Crowe et al, 2010). This provides an important

piece of learning on the empowering role of HMRPs and local authorities.

Empowerment is not a passive task that is simply about letting go. It entails active support, providing the resources and support required for communities to take control or co-design solutions. As suggested by Crowe et al (2010, p.70), a period of '12-24 months of capacity building' was probably needed for a number of residents and activists in Slater Street. In addition, it required the appointment of a 'paid organiser' (Crowe et al, 2010, p.72) who could handle the technical issues of setting up a community anchor organisation and planning the finances of the CLT. An interviewee from the case study corroborated this recommendation, highlighting the fact that 'you really need staff, it can't be done alone' (Resident, 2010). This then was the key opportunity for RENEW and the local authority to play its empowerment role, providing the resources and support to enable residents to develop the model further. Such a 'sympathetic local authority [and]...supportive partners' (Crowe et al, 2010, p.49) are seemingly crucial to the development of CLT, and this case study supports that.

It appears that this missed opportunity for empowerment, was probably the result of financial prudence on behalf of RENEW. In order for the model to have been created, the assets or investment for the CLT would need to have been provided at a very low cost. But this seems improbable, as it was too big an investment and too big a risk for RENEW. The Quirk Review notes how one barrier to asset transfer is the over-riding mentality of 'disposing of surplus assets at best price' (Quirk, 2007, p.12). It is likely that the case study validates this argument.

Perhaps a window of opportunity had been missed much earlier than 2007. In 2002 the NRA recommended that partners look into developing a 'local housing and regeneration company' for Middleport. Whilst this was not a direct recommendation for a community-based model, it could have been a catalyst to explore a CLT for the area.

Whilst RENEW and partners did not seize the opportunity to support the development of a CLT, or even to thoroughly explore it, they are not wholly to blame for it false starting. By the time the CLT was actually being considered, the decision to demolish was already being made. As noted by commentators, a five year lead-in time is required to establish a suitable organisation to take on the responsibilities of a CLT (Crowe et al, 2010). Hence, the idea was developed too late in the process to be viable. Perhaps also by this time the high levels of social capital, an essential ingredient of developing a CLT, were not in place.

To conclude on the issue of empowerment, the research shows that RENEW did not meet stated best practice in this area. But reflecting on the structure and nature of the HMRP programme, as described in Chapter 3, it is easy to see why RENEW failed to empower its residents. As noted earlier in the thesis, the rationale for HMRPs was to take:

'a more 'strategic' approach that emphasises the role of mainstream government and public sector activity in determining the trajectory of neighbourhoods ... the new policy advocates a 'multilevel' approach, in which

the importance is recognised of governance arrangements operating at a range of spatial scales. (Hastings, 2003, p. 85)

RENEW was therefore tasked with 'determining' how neighbourhoods improved, and operating at large geographical scale to achieve this. This would require forceful and directive action. The onus would be on RENEW to create change, with input from local communities. Operating at the sub-region, HMRPs like RENEW would have to look at neighbourhoods in terms of the function of their housing market. If a neighbourhood had a dysfunctional housing market where demand could not support supply, an intervention in that neighbourhood should be made for the greater good of the sub-regional housing market.

Making such utilitarian decisions at this spatial scale was not conducive to empowerment for a number of reasons. Firstly, HMRPs like RENEW were explicit in being led by public sector professional staff, who were given the job of 'determining the trajectory of neighbourhoods'. This meant that the conceived experience of professionals took precedence over the lived experience of residents (Allen and Crookes, 2009). Perhaps this was a necessity given the sheer scale of housing abandonment, but it did mean that professionals (with some resident input) were choosing which neighbourhoods should be retained and improved, and which should be cleared and given a new 'vision'. In this context, there seems to have been little scope for communities to own and co-produce interventions. Critics would argue that this would have led to an unpredictable and unstrategic patchwork of initiatives across neighbourhoods. In addition, whilst the programme was given a 20 year time

frame, the demand for results probably meant that long term investment in community-led vehicles was unviable as HMRPs like RENEW needed to demonstrate quick tangible outputs.

### ***5.3.3. Interventions that empower and capitalise***

The case study gives rise to an important question; would a CLT refurbishment model have been a preferable option for Slater Street compared to the actual intervention? The key test is whether, with hindsight, the same intervention would be made again in Slater Street. In balancing the outcomes achieved (or likely to be achieved) from demolition in Slater Street against the projected benefits of a CLT refurbishment model would the same action be taken?

There is no definitive answer to these questions, but the choice in part rests on the emphasis placed on existing residents. If the wealth and empowerment of such residents is prioritised, it seems rational to support the model outlined in this research. If attracting new capital is the priority in order to support wider economic development, then demolition, displacement and rebuild seems the rational choice. The current outcome for Slater Street is a cleared site with limited prospects for development in the near future. With hindsight, the CLT model was at the very least worth exploring in full.

The case study has shown how difficult CLTs are to develop, the barriers to creation, the complexity of the model and the difficulties in securing the assets needed. These

challenges should not be underestimated. To create a CLT in Slater Street, there was a need for greater professional support on issues of governance and financial planning. As this thesis has shown, a CLT would have needed a bold local authority and HMRP, willing to adopt new investment strategies aimed at growing the capital wealth of existing residents, as well as increasing their empowerment. Greater lead-in time was needed so that planning for a CLT could have started in 2002, not 2007. By 2007 the Slater Street community was gradually shrinking, along with the social capital deemed crucial to the development of a CLT. Hence, by 2007 the conditions were not right for a CLT in Slater Street, and the planned demolition a formality.

The case study presents *one* validation of our theoretical propositions. It shows that in one instance, HMRP demolition failed to capitalise and empower existing residents. In addition, the research validates the proposition that, for Slater Street, a more effective intervention would have accounted for the capitalisation and empowerment of such residents. But the case study does not validate the CLT model per se. The case study is an example of a CLT 'false-starting', rather than a successful CLT intervention. The case provides practical learning about how to tackle the barriers to CLT creation and has helped identify the *potential* value of CLTs in tackling issues of housing disrepair and low demand. Despite this, further research is needed to provide conclusive evidence that CLTs are an effective model of intervention in HMRP areas.

## CHAPTER SIX: CONCLUSIONS

The thesis has tried to build an understanding of HMRPs and their interventions. It has explored the context from which they emerged, how they were conceived and how they acted once established. It has focused on the significance of housing demolition to the programme and the opposition to it. This has revealed a set of theoretical propositions; that HMRP demolition can fail to capitalise existing residents, that it can also fail to empower residents, and that interventions that account for these issues can be more effective. It is suggested that CLTs may be one such model of intervention. Such propositions were tested against a case of HMRP demolition, where the development of a CLT was a possibility. Such research has shed light on the nature of HMRP interventions, alternative models to demolition and challenges in applying such alternatives.

To conclude the thesis this learning is drawn together. The section presents a short summary of the key findings of this research. It then assesses the extent to which the initial aims of the study have been achieved and its contribution to knowledge. Finally the section presents the limitations of the research before offering a view on the future relevance of this work.

### **6.1. Findings**

This study spans from the early development of the HMRPs through to their closing stages (Jordan, 2010). Studying the programme over such a long period of time has helped trace its evolutions, and the contextual drivers that have led to these



evolutions. The affordability crisis, the emergence of the Northern Way and the economic recession are to name but a few of these drivers. A constant feature throughout the programme has been the tension between working within and across communities. It seems that operating strategically at large spatial scales is more difficult than was first anticipated. This is not because of failures of partnership or co-ordination, more simply, it is because making strategic decision-making is difficult when residents have an attachment to their area. When residents' views are loaded with 'shared experiences and interpretations at a profound level' (Liggett, 1995, p.251), it makes hard-nosed rational decisions difficult. Few policymakers seem to have foreseen the neighbourhood-level challenges in trying to maximise utility within a wider housing market.

Demolition is indeed a major element of the HMRP programme, if not in terms of housing units, then in terms of finances. It is an issue that has been almost constantly contested in the sector press and national media, with some vociferous opposition. Some opponents have treated such interventions as a homogenous whole. This is misleading, not all HMRP demolition schemes lead to displacement, not all are revanchist and a number have been sensitive and selective. But some HMRP demolitions do displace residents, are aimed at repopulation and are not sensitively handled. The case study illustrates a number of issues with one such intervention in Slater Street, in Stoke-on-Trent. Existing residents in Slater Street did not benefit financially from the intervention, nor does it appear they were empowered in a meaningful sense.

CLTs appear to offer a potential solution. They are primarily a model for empowering communities to take charge. They can enable community-level control of how housing is developed, managed and have the potential to provide other local services and facilities. A number of residents and activists in Slater Street would have supported the words of the current Housing Minister, when he asserted the potential of CLTs to give communities control:

‘People have waited long enough for a model that is on their side rather than on the side of the bureaucrat’ (Shapps, 2010, p.2).

CLTs also have the potential to help low income households either access homeownership, or undertake renovations that will ultimately increase their capital wealth. In refurbishment schemes this means increasing property values. Such uplifts in value are shared between the resident and the CLT. This builds the CLTs assets and enables them to undertake further interventions. But the model, as demonstrated, is not without problems. This thesis serves to confirm other research on the developmental challenges of CLTs. To confirm whether or not CLTs have the potential suggested requires further research into existing CLTs in HMRP areas, and to support the creation of new ones.

## **6.2. Achievement of aims and contribution of knowledge**

As stated in Chapter 1 the aim of this study was, *‘to provide intelligence that will enable HMRPs to develop more effective interventions’*. This thesis urges HMRP practitioners to think carefully about how demolition schemes benefit existing

residents. It is hoped that the arguments in favour of capitalisation and empowerment of such residents are convincing, but also help practitioners articulate a case for more community-led interventions. The case study demonstrates that such approaches may constitute a more effective intervention in certain contexts. Whilst the exploration of CLTs is far from conclusive, it presents sound reasons why such models may be valuable in HMRP areas. It is hoped that this can raise the profile of, and introduce HMRPs to, an unusual CLT model based on renovation rather than redevelopment.

The thesis has adopted a staged approach starting with board exploration, leading to theory development and primary research and analysis. A clear statement of the research questions has been made at the start of each stage of the study and thesis chapter. Of specific note is the role of the research questions in the development and testing of the theoretical propositions. The early research questions guided the focus of the study and the theoretical propositions were developed as a direct response to these. Later in the study research questions were used to guide the testing of these theoretical propositions. As such, the research questions have performed a key purpose and have been directly answered in each stage of the research.

It is therefore suggested that the aims of the research have been met, and its research questions answered, but what of its contribution to knowledge? It is argued that this contribution falls into two categories. Firstly, in looking at a HMRP intervention in one case study area, new insights and learning have been produced

that is of practical *local* value. Secondly, the thesis contributes to a wider body of knowledge related to HMRPs and urban CLTs.

In reviewing the significant documentary evidence for the case study, this research has uncovered errors in the calculation of economic assessments. Such knowledge comes too late to inform the intervention in Slater Street. However such learning does provide RENEW and Stoke City Council with the opportunity to improve their processes in forming and appraising interventions. This knowledge is unique, and it is likely it would never have been uncovered without this study. This detailed account of the intervention in Slater Street provides practitioners in the HMRP and local authority with a uniquely triangulated view of their intervention. The hope is that this can inform future HMRP and other housing interventions.

So what contribution does this thesis make beyond the case study? This case study research is not intended to enumerate the number of areas where a CLT would be effective. The case is not a representative sample, and therefore does not provide results that can be applied to a population with a predictable level of confidence. Rather, the case is an experiment ‘in which a previously developed theory is used as a template with which to compare the empirical results of the case study’ (Yin, 2003a, p.33). What is more the case study relates to a ‘critical case’, with a definite set of characteristics that allowed the research’s theoretical propositions to be tested.

This means that the contribution of this work beyond the case study area is theoretical. The thesis has developed a set of propositions that *may* be valid in other

areas. It is for other practitioners and researchers to contextualise this learning in other areas, in order to apply it. In addition, the research contributes to the growing body of work related to urban CLTs, particularly how they develop and the barriers to development. The contribution in this area has been confirmatory rather than revelatory, validating a number of findings from existing work about urban CLTs (Crowe et al, 2010; CFS, 2008).

### ***6.3. Limitations of the research***

The research has a number of limitations. It does not provide conclusive proof that CLTs are an effective model of intervention in HMRP areas. Its findings cannot be generalised to all HMRP areas and interventions. There are also limitations associated with the methods adopted. The small number of interviews with objectors in the case study perhaps places too much weight on their testimony. Nonetheless, efforts to triangulate evidence have provided a rounded view of events in the case study.

### ***6.4. A view of the future***

As this research concludes, the UK's coalition government is publishing its Decentralisation and Localism Bill (HM Government, 2010). This will imbue communities with a number of new rights, including a community right to buy:

‘The Bill will give communities powers to save local assets threatened with closure, by allowing them to bid for the ownership and management of community assets’. (HM Government, 2010, p.7)

Coupled with planning reforms that will give communities greater control over local development, the Bill is arguably laying the foundations for greater management and ownership of assets by communities. In this context, the idea of Local Housing Trusts (LHT) has been mooted (Conservatives, 2009, p.23). The LHT model will adopt many of the features of a CLT, such as holding assets in perpetuity for the benefit of a community. It will be enable local areas to proceed with the development of housing without 'specific planning applications' (Schapps, 2010, p.2).

In this context the learning developed in this thesis, particularly about CLTs and the barriers they face, is ever more relevant. More importantly, if the current government is to extend such community-led models beyond rural settings, and into deprived urban areas with multiple housing issues, then the learning presented here is of real significance. The end of the HMRP programme creates an imperative to seek new and creative solutions in areas of housing abandonment and dereliction. If such solutions are not found, numerous sites will remain either wholly or partly cleared with no likelihood of development (Inside Housing, 2011). In such circumstances the case for CLT models becomes more pressing and ever more persuasive.

To move beyond the theories outlined in this thesis, applied research is now required. Such research would be aimed at understanding how CLTs can be formed and operate successfully in HMRP areas. Through a process of action research, observing and supporting groups as they form and run an urban CLT, this applied knowledge can be obtained. There remains only one major piece of research into

urban CLTs in the UK (CFS, 2009). Whilst a useful toolkit this report leaves a number of operational questions unanswered. Any further research in this field must seek to answer the following:

1. What barriers and opportunities exist to creating CLTs in areas of urban renewal?
2. How can CLTs in such areas access the assets and finances to undertake their activities?
3. What types of partnerships can be formed with social landlords, developers, landowners and other infrastructure organisations?
4. What legal models and structures should such CLTs adopt?
5. Does the current legal framework for CLTs support or hinder their development in urban renewal areas?
6. How can the development of CLTs in urban renewal areas best be supported?
7. Should CLTs in urban renewal areas be geared toward housing refurbishment or new development?

Such work would make an important contribution to the fields of socio-legal geography (Blomley, Delaney and Ford, 2001) and community property (Alexander and Penalver, 2011). Equally, it has the potential to help policy makers and communities develop practical and workable solutions in the absence of central government funding.

## APPENDICES

### Appendix 1: Case Study Protocol

#### 1. Overview of the case study

*Case study objective:*

To test the validity of our theoretical propositions in the case of Slater Street

*Theoretical propositions:*

- a) HMRP demolition programmes can fail to capitalise existing residents
- b) HMRP demolition programmes can neglect the empowerment of residents
- c) Interventions that account for the above two propositions will be more effective

*Key case study challenges:*

- a) Engaging the HMRP in research
- b) Obtaining HMRP officer interviews
- c) Interviewing with sensitivity
- d) Accessing/interviewing displaced residents
- e) Using non-recorded data (e.g. conversations outside of recorded interviews)
- f) Filling the gap in evidence after public enquiry
- g) Cross referencing public enquiry evidence with interview data and media coverage

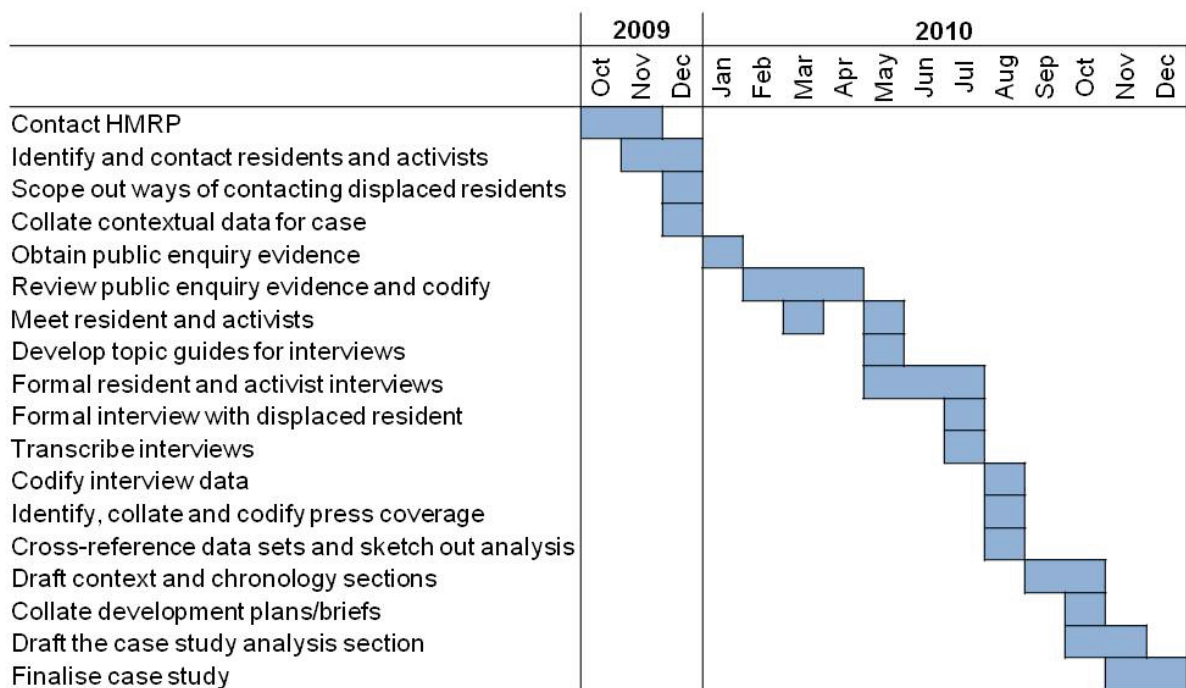


## 2. Field procedures

*Target interviewees:*

- a) Existing residents
- b) Activists
- c) Displaced residents
- d) HMRP officer

*Data collection, analysis and write-up timeline:*



*Key sources of data:*

- a) RENEW's online resource
- b) Public enquiry evidence

- c) Other documents submitted to the enquiry; NRA 2002, Stock condition surveys, consultation reports, AMI plans, BDP development plans, Council relocation/compensation policies, central government correspondence, miscellaneous appendices
- d) This is Staffordshire / The Stoke Sentinel
- e) Audit Commission performance monitoring reports

### **3. Case study questions**

#### *Research questions:*

- a) How did the HMRP intervene?
- b) How much did the intervention capitalise residents?
- c) How much did the intervention empower residents?

#### *Areas for specific/further exploration:*

- a) The proposed CLT
- b) Levels of displacement and financial gains of those displaced
- c) Financing of the Slater Street development scheme by HMRP
- d) Role of MBEV forum in decision making
- e) Opportunities for residents to take control
- f) The development timetable and details of the scheme (including tenure mix, sale prices, developer profits)

#### **4. Case study report**

##### *Structure:*

- a) Context for Slater Street, using regional, HMRP and local authority context
- b) Chronology of intervention, broken down into manageable periods
- c) Analysis of intervention, assessing extent to which it empowered and capitalised
- d) Examine potential role of CLTs as an alternative intervention

##### *Summary of case study chronology:*

- a) 2001-2002 – NRA (including Slater Street issues, option assessment and recommendations)
- b) 2003-2004 – AMI Plan and NAP
- c) 2005-2006 – Consultation and engagement, the 2006 NRA (including stock condition, socio-economic survey, option assessment and overview and scrutiny)
- d) 2007-2008 – Nols, resident objections, Council policies for support/compensation, acquisition and the initiation of demolition, the proposed CLT, the public enquiry
- e) 2009-10 – public enquiry decision, Middleport masterplan, the impact of recession, BDP development brief, the future.

*Mapping and other scanned evidence to be used:*

- a) OpenOS – Broader Stoke/Newcastle-under-Lyme geography, Slater Street Road layout (amended) and Canal arm and key sites (amended)
- b) Middleport 2002 NRA boundaries
- c) 2002 NRA - NPVs for options
- d) 2006 NRA - NPVs for options
- e) 2006 NRA - socio-environmental assessment scores
- f) 2006 NRA - detailed NPVs for renovation option
- g) RENEW demolition plan
- h) BDP masterplan for Middleport
- i) BDP design concept for Slater Street

## **Appendix 2: Example interview topic guide (resident interviews)**

### **Introduction**

- Explain the purpose of our work and purpose of interview:
  - Looking at demolition in the case study area to assess whether a set of ideas I have developed are valid in this case
  - The interview today is to talk about Slater Street, the process of demolition, outcomes for you and the community and the proposed CLT.
- It is a semi-structured interview (i.e. not tick box). I have a small number of question, but you have some direction over what we talk about
- Time required – 13 questions, 1 hour
- You will remain anonymous but can we record interview?
- Quoting – You will not be named in person, but comments attributed to ‘resident interviewee.
- You can stop the interview at any time.
- Is this ok? Do you have any questions before we start?

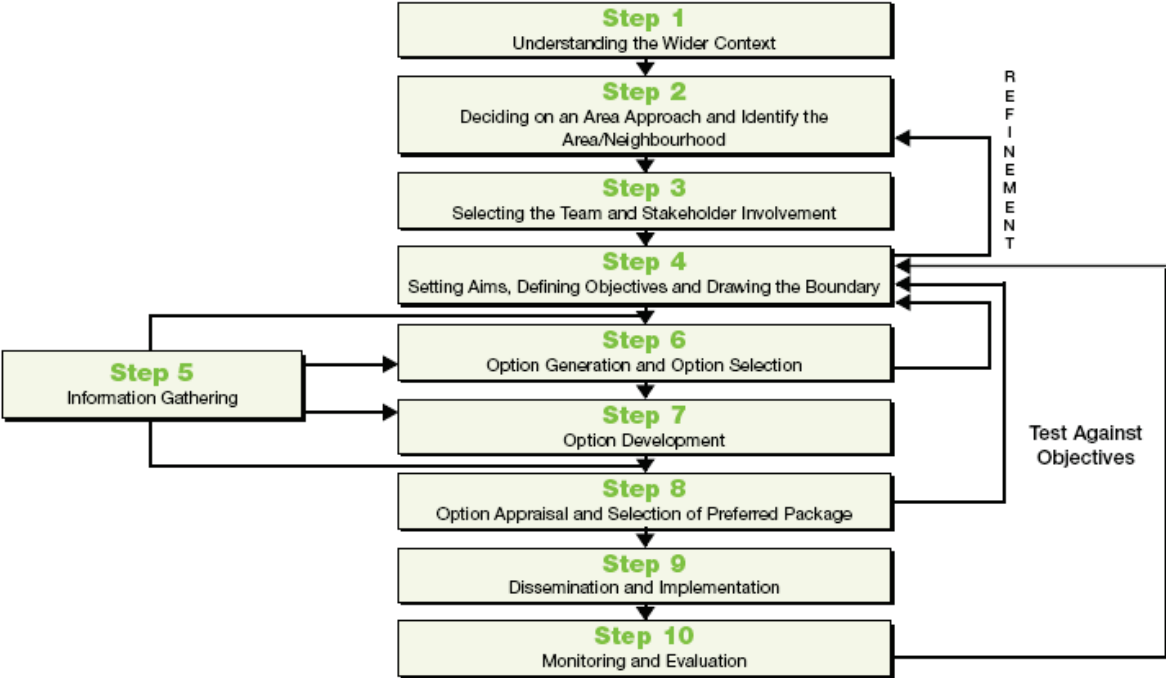
### **Questions**

1. How did the process start?
2. What reasons were given for demolition?
3. Talk me through process/timeline, from initially hearing about plans for Slater Street to the current day
4. Where you given opportunity to influence decisions?
5. At what points where you consulted/engaged?

6. Do you feel you will be adequately recompensed?
7. What's happened to people who used to live here?
8. How did the idea of setting up a CLT come about?
9. Why did you think it was an effective solution?
10. What did you think you most needed to create a CLT?
11. What stopped it developing?
12. What did you need from the council/pathfinder to make it happen?

Appendix 3: Neighbourhood Renewal Assessment steps

10 STEPS OF THE NRA



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