

New Deal for Communities

The National Evaluation

Research Reports

Housing in London NDCs: Situations, Challenges and Opportunities

Research Report 59

The Neighbourhood Renewal Unit is currently sponsoring the 2002-2005 national evaluation of New Deal for Communities. This evaluation is being undertaken by a consortium of organisations co-ordinated by the Centre for Regional Economic and Social Research at Sheffield Hallam University. The views expressed in this report do not necessarily reflect those of the Neighbourhood Renewal Unit.

Those wishing to know more about the evaluation should consult the evaluation's web site in the first instance
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Sheffield Hallam University

Housing in London NDCs: Situations, Challenges and Opportunities

Research Report 59

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Executive Summary

Introduction

1. This report explores the particular challenges and opportunities that the 10 New Deal for Communities (NDC) partnerships in London encounter developing and implementing their housing programmes as a consequence of the unique and particular aspects of housing supply, provision and demand within the capital.

Unique and Particular Aspects of Housing in London NDCs

2. House prices in London far outstrip average house prices elsewhere in England, but the people living in London NDC areas are little different in their socio-economic profile, occupational status and income levels from residents in NDC areas elsewhere in England. The result is a major affordability problem, which was the problem most commonly referred to by respondents when asked to highlight the unique aspects of the housing situation in London.
3. The social rented housing represents a relatively large proportion (26 per cent) of the housing stock in London. The sector has an even greater presence in the London NDCs, accounting for more than half of the stock in all 10 areas.
4. Affordability problems mean that a far more diverse range of people than elsewhere in England, including many in what might be considered reasonably well paid occupations, cannot access home ownership, and are forced to rely on the rental market for accommodation.
5. Large numbers of council dwellings have been purchased by sitting tenants through right-to-buy, undermining the ability of the social rented sector to meet housing needs.
6. Officers referred to the challenge of balancing the attend to the needs of existing residents, while at the same time leveraging in resources through the sale of land to the private sector for the development of housing for sale.
7. The population in London NDCs is far more ethnically diversity than in NDC elsewhere in England. NDC officers also reported the presence of a large transient population, often trapped in, rather than committed to, the area.

Housing Problems and Challenges in London NDCs

8. The housing programmes of the London NDCs typically account for a larger proportion of NDC total spend than in other NDCs and involve more renewal and redevelopment programmes. The emphasis placed on housing reflects the priorities of local residents, concerned not only about the condition of the housing stock but also the consequences of poor housing for their health, well-being and safety.
9. Poor housing conditions, including the physical quality, interior and exterior design standards and the mismatch between requirements of the local population and the nature of the local housing stock, emerged as the main reason for London NDCs committing major resources to their housing programmes.
10. NDC officers reported that the deteriorating quality of private rented stock in the area is undermining the quality of the physical environment. An additional challenge is that the

sector accommodates a disproportionate number of transient, disadvantaged and vulnerable households.

11. Officers and residents both highlighted the under supply of affordable housing. Implicit in these comments was the assumption that owner occupation would never going to be affordable to the vast majority of NDC residents.

Challenges Delivering Housing Interventions

12. Funding housing interventions was one of the major challenges facing NDC partnerships in London, particularly those pursuing major redevelopment and refurbishment programmes. Even in NDCs where a large proportion of the total budget was allocated to housing interventions, the sums were reported to 'just not add up'.
13. Challenges associated with resident engagement were reported to largely stem from diversity of the local population in the London NDCs and tensions between groups engaged in the NDC process. Problems with partner agencies focused on the relationship between the NDC and its local authority.
14. The presence of long leaseholders raises two fundamental challenges for NDCs, which in some instances had turned into major headaches that were delaying delivery of the NDC programme. First, leaseholders represent an additional constituency to engage with and negotiate. Second, the presence of leaseholders raises an additional funding consideration, that can prove to be a major drain on NDC resources.
15. Increasing density on redevelopment was a major concern among local residents, with opposition threatening the viability of plans and forcing masterplans to be redrawn and densities reduced. Resident concerns centred on the strain placed on the local infrastructure by an increase in the local population and the potential for tensions between existing and incoming populations.
16. One NDC forecast that the local population would double following the development of 1,000 new homes for sale. Respondents stressed the importance of ensuring that needs of existing residents are not forgotten in the rush to draw in private sector development and diversify the stock base. Tensions between new and existing residents would need to be minimised and managed.

Opportunities for Housing Interventions

17. London NDCs are in a unique position to lever in funds and, in particular, private finance, given the security provided by high land values, rising house prices and a city-wide context in which demand outstrips supply.
18. The Dominance of the Social Rented Sector can simplify the complexities of undertaking major programmes of redevelopment, allow for more streamline governance arrangements and circumvent the costs and challenges associated with the purchase and demolition of private sector stock. Residents, for their part, can more easily find common cause, given the shared interest of so many as local authority/housing association tenants.
19. Respondents were confident about the sustainability of the NDC area. Such confidence was founded on the assumption of continued high demand for accommodation across London that would ensure local demand for social rented and owner occupied accommodation.

20. The importance of increasing social mix was related to the benefits of lifting the economic base of the area for the benefit of new and future residents, rather than assumptions regarding the benefits that might flow from greater social interaction borne out of greater social mix. It was taken for granted that the development of homes for sale would inevitably result in greater social mix.

Implications for Policy

21. Resident involvement should be an explicit strand of work within the NDC's delivery plan, with its own funding stream.
22. NDCs should recognise and relay the realities of the NDC programme and its limits to local residents.
23. Factors that help contribute to more positive working relations between NDCs and their local authority include the development of working relations in the very early stages of the NDC programme, the clear articulation of roles and responsibilities, close links at officer level, with local authority staff often being seconded to the NDC delivery team, and the objectives of the NDC being closely allied to the wider strategic priorities of the local authority.
24. The success of London NDCs in developing and delivering their housing programmes can demand a degree of pragmatism on the part of residents, the local authority and the NDC. Otherwise, NDC housing programme will struggle to finance the full range of interventions thought necessary.
25. Some NDC chief executives and housing officers argued that social regeneration without physical renewal represents a short-term, sticking plaster response to the substantial problems that the London NDC neighbourhoods face.
26. As well as developing positive working relations with long-leaseholders, it is important for NDCs to clarify the situation and, if needs be, broker an agreement between the local authority and leaseholders regarding the recharging of long-leaseholders for work undertaken.
27. Two broad observations were made regarding the role of the NRU. First many NDC officers complained about being left to struggle to negotiate various challenges hindering successful delivery of their housing programme. Second, funding levels were reported to be inadequate for the successful delivery of NDC housing programmes in London.

1. Introduction

This report explores the particular challenges and opportunities that the 10 New Deal for Communities (NDC) partnerships in London are encountering developing and implementing their housing programmes as a consequence of the unique and particular aspects of housing supply, provision and demand within the capital. It draws on evidence to emerge from research undertaken as part of the Housing and Physical Environment (HPE) Team's contribution to the National Evaluation of the NDC programme. The research was prompted by the HPE Team's awareness, raised during the delivery of other theme team evaluations, that the local context and challenges faced by NDCs in London were often distinct and different from the issues facing NDCs in other parts of England and that London NDCs often had at their disposal a very different collection of tools and resources for intervening in their local neighbourhood.

1.1. Housing in London: An Overview

The physical form, tenure profile and social structure of London's housing market is closely associated with its role as a world city. The occupation and income structure of the city reflects the large and still growing numbers of high income professional and managerial workers. These highly paid workers have intensified demand for home ownership at a time when the supply of new housing has grown only slowly. The result, as Hamnett (2003) points out, has been sharp rises in house prices and the displacement of demand from traditional middle class areas to working class neighbourhoods. Home ownership in London has therefore increasingly become the preserve of the financially well off, with the social rented sector representing the major source of accommodation for many low and middle income households, particularly in light of the rapid decline of the private rented sector over the last 40 years.

These processes are not unique to London, but their consequences have been far more wide reaching in the capital than in other parts of England. By 2003 the average land price per hectare in London had reached £5 million, compared to an average price of £975,681 across England. House price rises in the capital have also raced ahead of the national average, despite 45 per cent of properties in London being flats or maisonettes, compared to only 17 per cent across England. By 2003 the average price for a dwelling in London was £241,864, 45 per cent above the national average price of £166,820 (ODPM, 2004). Reflecting this disparity, the average income and mortgage advance secured by house buyers in London far outstrips the national average, the average income of a home buyer securing a mortgage advance in London in 2003 being £53,746, compared to an average income across England of £40,203 in the same year, while the average mortgage advance in the capital in 2003 was £154,599, compared to £104,594 in England.

High and rising house prices in London have put home ownership beyond the reach of many households, with first time buyers in the capital now paying more than the average price of a house in England merely to enter the market. Entry to home ownership in London therefore requires a relatively high income (the average recorded income of first time buyers in London securing mortgage advance in 2003 was £39,017) and a large mortgage advances (the average advance for first time buyers in 2003 was £109,455). It is hardly surprising, therefore, that recent years have witnessed both a reduction in the number and an increase in the average age of first time buyers in London (Mayor of London, 2004).

Many households in London cannot afford these costs and are unable to access home ownership. Most of these people are housed in the social rented sector (housing association and council housing), which still represents a relatively large section of the

housing stock in London, accounting for 26 per cent all dwellings, compared to 19 per cent of properties across England. In some London Boroughs, such as Hackney and Southwark, the social rented sector accounts for more than half of the local housing stock. The social rented sector has declined in size dramatically in recent years, however, largely as a result of the failure of the housing association new build programme to keep pace with the sale of council properties to sitting tenants through Right-to-Buy (RTB), 183,000 new housing association properties being developed since 1984 but 284,500 council properties being lost to the sector through RTB. Meanwhile, the private rented sector has also been in decline, from a peak in the early 1960s when it accounted for two-thirds of all dwellings in Inner London (Hamnett, 2003), to the current situation, where it represents just 17 per cent of the city's housing stock. Despite this decline, private renting is still more common in London than elsewhere in England, the sector accounting for just 11 per cent of all dwellings in England.

It is hardly surprising that, at a time of a rapid rise in household numbers and population growth, fed by national and international migration, house price rises and the decline of rental market have been accompanied by the intensification of housing need in London and associated social problems, including homelessness, poor living conditions and overcrowding. By 31 March 2003, 242,000 households were on the housing register of a London local authority, representing one-fifth of the total in England; 22 per cent of homelessness acceptances in England in 2003/04 were in London; between 1999 and 2004 the number of households in temporary accommodation in the capital increased by 79 per cent; and since 1991 there has been a 20 per cent growth in overcrowding in London, with minority ethnic households being three times more likely to live in overcrowded conditions. The age of the London housing stock - almost two-thirds of dwellings (61 per cent) were built before 1945, compared to only 40 per cent in England - also contributes to poor living conditions, particularly among owner occupiers unable to afford the costs associated with repairs and maintenance.

These aspects of the London housing market, together with the unique population profile of the capital - 44.63 per cent of England's minority ethnic population reside in London, international net in-migration increases cultural diversity and the large flow of young adults offsets out-migration from older groups and results in a relatively young age profile - present NDC Partnerships in London with a unique context within which to address a very particular series of housing related challenges. It is this context and these challenges and the difficulties and opportunities they present for NDCs in London that represent the focus of this study.

1.2. The Research Approach

The evaluation involved three key tasks. First a review of available information and evidence regarding the housing context and interventions actioned by all 10 London NDCs was undertaken. This review drew on evidence from previous HPE Theme Team evaluations that involved London case studies, as well as a review of NDC partnership Reports, the housing strategies in NDC Delivery Plans, the NDC Programme Report and key findings from the NDC household survey that involved 5,021 face-to-face interviews with residents across the 10 London NDCs.

The second stage of the research involved the team surveying all 10 London NDCs, with the aim of identifying the unique and particular aspects of the local housing context, housing priorities to be addressed and factors informing and influencing the nature and focus of the housing interventions developed in partnership with local agencies, including local authorities, Arms Length Management Organisations (ALMOs) and housing associations. The survey exercise centred on face-to-face and telephone interviews

with NDC Chief Executives and lead housing officers in all 10 London NDCs¹. The result was an overview of the local housing context and challenges to be addressed within each of the London NDCs and an insight into the design, development and implementation of housing initiatives.

Finally, initial discussions were followed up by more detailed case study work. This involved two activities. In three NDC areas (South Kilburn, Ocean and Seven Sisters) the team engaged in wide ranging analysis of the various challenges and issues informing and impacting on the efficiency and effectiveness of housing centred interventions. In these case studies the research team was involved in canvassing the views and opinions of senior management and front-line officers within the NDC and partner agencies (local authority housing department, housing associations and such like), as well as a small number of local people. In a further three NDCs, the research team was involved in more focused analysis, concentrating on a particular local housing issue or challenge encountered by the NDC when intervening in the local housing market. In these case studies, the views and opinions of senior and front-line officers within the NDC and, where relevant, partner agencies were canvassed regarding the specific issue under analysis.

1.3. Housing in London NDCs: The Focus of this Report

NDC partnerships are directly engaged in and facilitating the delivery of a wide range of housing programmes and initiatives. This report focuses on the aspects of these programmes and initiatives that are unique to NDCs in London, the challenges that partnerships have encountered in their development and the particular issues and problems that these interventions have been designed to address. This report is not intended and should not, therefore, be read as a comprehensive review of housing issues and interventions in the London NDCs. Rather, it is an attempt to highlight the consequences for NDCs of being situated within the distinctive location that is London. To this end, the report is divided into four key sections:

- **the unique and particular aspects of housing in London NDCs** - profiles the distinctive aspects of the housing context within London NDCs, as identified by NDCs and their partner agencies
- **housing problems and challenges in London NDCs** - provides an introduction to the housing priorities identified by NDCs in London and considers the ways in which these issues are unique and particular to London
- **challenges and concerns for housing interventions** - provides a review of the particular challenges that NDCs in London encounter developing and actioning a programme of interventions in response to recognised housing problems
- **opportunities for housing interventions** - explores the opportunities provided by operating within the London context and the ways in which NDCs

Finally, the implications of these insights and findings for NDCs in London (and beyond) are considered and suggestions made for how NDCs might meet these challenges and maximise the opportunities provided as a result of being located within the unique context that is London.

¹ In an attempt to foster an open and frank dialogue with respondents, all people who talked to the research team were guaranteed anonymity. In some instances, the NDC being referred to is also anonymised.

2. Unique And Particular Aspects Of Housing In London Ndc's

2.1. Introduction

The rationale for undertaking this study was that NDCs in London are operating within a housing context distinct and different from that to be found elsewhere in England. Discussions with the Chief Executives and housing officers of the 10 London NDCs and related local authority and housing association officers confirmed this impression. Respondents from across the NDCs pointed to a whole host of ways in which their local housing market was informed by the consequences of being located within the unique and particular place that is London. Six key issues dominated discussion:

- affordability problems and access to owner occupation
- the dominance of social renting within the NDC housing markets
- the role played by the social rented sector within the local housing market
- the take up of the right-to-buy by council tenants and the related presence of large numbers of long-leaseholders living in blocks of flats
- land prices, the associated costs of new build and the consequent focus on high density developments
- the population profile in London NDC areas

2.1. Affordability Problems and Access to Owner Occupation

House prices in London far outstrip average house prices elsewhere in England (see chapter 1). The people living in London NDC areas, however, are little different in their socio-economic profile, occupational status and income levels than residents in NDC areas elsewhere in England. The result is major affordability problems, which was the issues most commonly raised by NDC and local authority housing officers when asked to highlight what they saw as unique and distinct about the housing situation in London, compared to elsewhere in England:

“Locally the housing market has obviously been very robust in Tower Hamlets, that’s part of the problem we have, in its very expensive and the houses are very expensive for people, local people can’t afford it...” (LA Officer)

Affordability problems were reported to underpin many of the other distinctive features of the housing situation in London NDCs, including the distinctive role played by social rented sector in London, population change associated with gentrification and rising property prices, the popularity of right-to-buy, even among tenants in flat accommodation, and the pressure for high density on rebuild.

Affordability issues are closely related to high land values in London (see Chapter 1), raising real problems for NDCs seeking to extend tenure choice:

“This is an area that is a pocket of deprivation, surrounded by areas of affluent housing. The scheme we are envisaging is going to mean that the housing for sale is going to reflect the prices in the surrounding area. Whilst people’s aspirations are high, attainability will be difficult because within the NDC area 63 per cent of people are on benefits.” (Housing Manager, South Kilburn NDC)

South Kilburn, where officers reported that a relatively small, three bedroom terraced house with a yard but no garden was currently selling for £250,000, are seeking to overcome these affordability problems through low cost home ownership initiatives, but

acknowledged that even with these schemes it will be difficult for many tenants to afford to buy. Recognising these limitations, officers in the South Kilburn NDC emphasised the importance of being upfront with residents and not making false promises that will only be broken:

“We haven’t shied away from these issues. We have said to residents, ‘we can’t build you a home and get you a mortgage’ but we have said ‘we can build you a home of the same standard that will be affordable to you as a tenant’. The reality is that home ownership is unattainable to people on low incomes. They won’t even be able to afford a property on the estate now, so rather than tell people things that won’t be possible, we tell them what the reality is. We can explore all the options but the reality is you may still be a council tenant. There are other ways in which people’s lives can be enhanced. There will be £1.3bn investment in the area and there will be opportunities for people to gain skills and qualifications.” (Senior Officer, South Kilburn NDC)

Officers also talked about efforts to broaden the debate around ownership:

“So we said, what does ownership mean? Can’t they own it outright collectively? And that has really started a debate. If they can own it collectively, maybe they can have some real functional control over the neighbourhood and the management. Our people like the look and feel of taking control of their own area and they want to do it.” (Senior Officer, South Kilburn NDC)

2.2. The Dominance of Social Renting within NDC Housing Markets

The social rented housing represents a relatively large proportion (26 per cent) of the housing stock in London. In the NDC areas, the sector has an even greater presence, accounting for more than half of the stock in all 10 London and upwards of three-quarters of all housing in four NDC areas - South Kilburn, Islington, Aylesbury and Hackney (Table 2.1).

Table 2.1: Tenure Profile of London NDCs

NDC	Tenure (%)		
	Owner Occupation	Social Renting	Private Renting
South Kilburn	14	78	7
Ocean	21	68	9
North Fulham	23	60	16
Seven Sisters	36	55	8
Islington	15	75	9
Clapham Park	30	57	12
New Cross	29	59	12
West Ham and Plaistow	31	57	12
Aylesbury	6	90	4
Hackney	14	77	9
England	70	19	11

As we will see, this very particular tenure profile presents the London NDCs with a series of distinct challenges and opportunities, not least in balancing the competing priorities of drawing in capital investment, extending choice and diversifying the tenure base, whilst satisfying the housing requirements of the existing local population in densely populated neighbourhoods where land is often at a premium.

2.4. The Role Played by the Social Rented Sector

Affordability problems mean that social rented accommodation is in greater demand and plays a very different role in the London housing market, compared to elsewhere in England:

- demand is high and outstrips supply. As one NDC Chief Executive observed, “it is not unusual for people to have been on the waiting list for 15 years before being offered a house”
- social housing in London accommodates a more (socio-economically) diverse population, although NDC areas are, by definition, relatively deprived and disadvantaged
- social housing is more than a stepping stone tenure, being also a tenure of choice and destination
- the social rented sector in London contains many committed tenants. As one NDC officer put it, reflecting on the difficulties many people encounter accessing secure housing, “once you get a house in London, you stay there”
- the right-to-buy programme in the council housing sector represents the only available route into owner occupation for many people in London

2.5. Right-to-Buy Among Council Tenants

“One of the key issues for all the London boroughs is the right-to-buy. Stock is being diminished and there is not the ability to replace it. There are lots of challenges. You may get people migrating over to the east of London where the new developments are taking place.” (NDC Housing Manager)

Council housing is the only route into owner occupation for many households in London, given high and rising property prices and the discounts available to council tenants to buy their property. The result has been the transfer of large numbers of council dwellings into the private sector. This raises a number of issues for NDCs to deal with. Most obviously, the sale of council stock has seriously undermined the ability of the social rented sector to meet existing housing needs, particularly given the failure of the new build programme, now delivered by the housing association sector, to keep pace with the rate of RTB sales (see Chapter 1). The consequences were reported to include extreme levels of housing need, evidenced by overcrowding, poor living conditions, rising homelessness, and large numbers of households in temporary accommodation.

A second direct consequence of right-to-buy is the large numbers of long-leaseholders living in blocks of flats managed and owned by local authorities and, in the case of areas subject to stock transfer, housing associations. This is a situation relatively unique to London, the vast majority of right-to-buy sales outside London involving the purchase of houses, rather than flats. In London, however, a relatively large proportion of the council stock is flat accommodation. Flat ownership, however, is problematic in English law, so when tenants in flats exercise their right-to-buy they become long-leaseholders, being granted a lease, typically for 99 or 125 years. Long leaseholders are liable to pay ground rent to the freeholder (local authority) and are also liable for a share of the costs of managing and servicing the common parts of the block. In some London NDCs long-leaseholders represent more than one-third of residents and their presence can represent an additional challenge for NDCs seeking to undertake major redevelopment work, involving either the rehabilitation of existing stock (leaseholders being liable for a share of the costs) or demolition and new build (leaseholders needing to be compensated for the loss of their property but NDCs and their partners rarely being able to provide financial recompense that allows leaseholders to re-enter owner occupation).

2.6. The Shortage of Land

“What is unique to London, is that it is becoming more and more populated, so there’s a big pressure, it’s like a pressure cooker if you like and London is heaving. It’s space deficient, so our land is extremely precious and valuable.” (Lead NDC Housing Officer)

Land is at a premium in London. This fact presents a major opportunity to lever in private sector funds to NDC areas through the sale of land to private developers. An inevitable result, however, is that less land is available for affordable units and redevelopment plans are forced to incorporate relatively high density levels on rebuild:

“here we’re obviously looking at levering in a lot more [units] with towers but that’s the way it goes, it’s the towers, elegant towers is the phrase that our director uses, which again is very much the Government’s planning agenda and that’s where we’re going, right down that road...if we’re going to build social housing this is the only way we can do it here, there is literally no other way we can do it but you know, we’ve got to get it right” (Local Authority Housing Officer)

Both of these facts raised concerns among NDC residents, who reported worries about living in high density developments and the changing profile of the local population likely to result from the development of properties for sale and key worker housing.

2.7. The Population Profile in London NDC areas

All NDC areas are, by definition, characterised by deprivation and associated social problems. It should therefore come as little surprise that the NDC household survey of 2004, involving interviews with 5,021 people across the 10 London NDCs, reveals the situations and experiences of residents of the London NDCs regarding crime and safety, work and income, education and training and health to be little different from residents in other NDC areas. One key distinction is apparent, however; the ethnic diversity within the London NDCs. According to the 2004 household survey, 49 per cent of residents within the 10 London NDC neighbourhoods belong to a minority ethnic group, compared to 26 per cent across all 39 NDCs and 9 per cent in England (Table 2.2). It also appears that the minority ethnic population in London NDCs is far more diverse than the minority ethnic population in towns and cities outside the capital, one respondent suggesting that London remains a magnet for new immigrants.

The officers interviewed in a number of NDC areas also reported the presence of a large transient population, often trapped in, rather than committed to, the area:

“people coming in, it’s creating a transient community where people come in for a short term, they don’t particularly have much kind of community spirit or, you know, they don’t feel part of the wider community and the wider community feels threatened by these people coming in” (NDC Housing Officer)

This ‘transient population’ was reported to consist of homeless families accommodated on a temporary basis in council accommodation and refugees and applicants for asylum either awaiting a decision from the Home Office or granted leave to remain in the UK. The presence of large numbers of transient people was reported to be the consequence of the outward movement from the area of households with the resources and wherewithal to relocate elsewhere and their replacement with people waiting for permanent accommodation:

“I think the main issue is about the fact that there are a lot of people who are in insecure or inadequate accommodation or both, in the neighbourhood. Those that could and had the resources and the wherewithal did probably move out of this area some time ago. Because of the demand for housing in London, the housing was not left empty but were replaced by people who were waiting for permanent accommodation. (NDC Officer, The Bridge)

Table 2.2: Population Profile of London NDCs

NDC	Total Population	Working Age Population (%)	Minority Ethnic Population (%)
South Kilburn	9,340	68	54
Ocean	8,025	59	67
North Fulham	11,280	71	32
Seven Sisters	14,780	68	54
Islington	9,465	64	28
Clapham Park	9,055	70	40
New Cross	10,410	67	47
West Ham and Plaistow	10,880	62	46
Aylesbury	9,745	69	61
Hackney	23,825	68	36

It was also suggested that some local authorities were taking advantage of the availability of temporary accommodation and using NDC areas and other such neighbourhoods as ‘dumping grounds’ for groups awaiting rehousing:

“The Tottenham half of Haringey is very deprived, with lower than average house prices, so NASS and other London Boroughs have placed asylum seekers here. So there are a large proportion of temporary households with no commitment to the area. All types of tenure are used for temporary accommodation...This issue is important in terms of schools and other services.” (NDC Officer, The Bridge NDC)

3. Housing Problems and Challenges in London NDCs

3.1. Introduction

Housing is a central element of the delivery plans of the 10 London NDCs. Housing accounts for a relatively large proportion of the total NDC spend and often involves a major programme of redevelopment. The centrality of housing to NDC activities in London was reported to reflect the concerns of local residents, who, as a senior officer in one NDC observed, were concerned not only about the condition of the housing stock but also the consequences of poor housing for their health, well-being and safety:

“What was quite obvious in the discussion and the analysis, the thing that came across was that people knew that the housing had reached the end of its useful life and that anything else but whole scale redevelopment was only going to help them in the short-term. But when you engaged people in a discussion you discovered that people realised that their health was suffering, crime was most definitely being facilitated by the layout of the housing and their income because of their employment prospects and life chances were being driven by a post-code analysis. So you didn’t have to push very hard to get what we would call an intellectual argument from them. They understood and joined the issues up for me.” (Senior NDC manager)

When asked about priorities for action in responding to such concerns, respondents often sought to distinguish between the contextual realities of housing in London, on the one hand, and the changes that the NDC could hope to secure, on the other. Although respondents recognised that the NDC programme represented an important opportunity to effect a sea-change in the fortunes of the local area, certain issues were considered beyond the influence of the NDC. An obvious example is the barriers to owner occupation that confront most local residents. Respondents recognised the mismatch between the aspiration and opportunity to become a home owner but questioned how the NDC could ever hope to open up owner occupation to more than just a small section of the local population, without the power to affect local income levels or the resources to subsidise entry to owner occupation. Mindful of such realities, respondents identified three broad priorities for action:

- poor housing conditions, including inappropriate accommodation and overcrowding
- problems and challenges associated with the private-rented sector
- the supply of affordable housing

3.2. Housing Conditions

Poor housing conditions, including the physical quality, interior and exterior design standards and the mismatch between household requirements and the physical form of the local housing stock, emerged as the principal reasons for London NDCs committing major resources to housing activities. Concern about local housing conditions tended to focus on social rented stock in the area, the consensus opinion being that under investment in the stock over the last 25 years was responsible for poor conditions today:

“One of the main problems here are the housing conditions because of lack of investment in the stock over the last 25 years.” (NDC Officer, Ocean NDC)

“The NDC area comprises a range of council estates. The area has 90 per cent social housing and 80 per cent of that is LA housing. It’s pre-war and post-war and is now run down, damp and there is poor security.” (NDC Officer, EC1 NDC)

Officers provided various figures to evidence poor housing conditions. It was reported, for example, that in 2001 41 per cent of dwellings in Ocean NDC fell below the Decent Homes Standard and that 10 per cent of dwellings in The Bridge NDC area were unfit and another 21 per cent of dwellings in substantial disrepair. Discussions with residents provided an insight into the experience of living with these conditions:

“When I first moved into the block I live in I don’t think [the] Council had been able to spend much on it forever. The original lifts were breaking down almost every day. The fire doors on the ground floor were hanging off the hinges, so anybody could walk in and out. The original door-entry phone system was clapped out. The door lock mechanism didn’t work so that people could even wander in and out of the main door. Muggings in this area were really common, the mid ‘90s to the late ‘90s there was an enormous problem with street robberies in this area. So basically it was terrible it really was. You wouldn’t choose to live here unless you had to.” (NDC Resident)

“Other issues were with obviously the maintenance, cleaning of the blocks and then of the area. And also the issues of, how can I say, I think the biggest issues is housing, how housing is now and how it’s not working for the residents that live in the tower blocks.” (NDC Resident)

Some officers suggested that the decline of the social rented sector had also served to undermine conditions in the private sector stock, as local residents and landlords were uncertain about the long-term future for the area:

“as a result of lack of investment or continuing investment, the stock has deteriorated and one of the things we’ve found is that uncertainty has also meant that private owners, landlords, leaseholders, tenants, have also, I think it would be my view that they’ve probably not invested as much as they would have otherwise, knowing that it’s going to be demolished. And it’s kind of created this uncertainty in one hand where existing tenants and leaseholders and freeholders are not willing to kind of invest in an area where if they know, or there is a discussion that it might be knocked down” (NDC Housing Officer)

Poor housing conditions in the private sector were reported to be a particular problem by officers from The Bridge, North Fulham and West Ham and Plaistow. Officers at the Bridge reported that the attention being paid to the private sector reflected both the reported concentration of poor conditions, particularly in the private rented sector, and the fact that the local authority was taking the lead on efforts to bring the social rented stock up to Decent Homes standards. Officers suggested that problems within the private rented sector are perhaps more intense in London, with large numbers of HMOs (houses in multiple occupation) - officers reporting 109 HMOs in The Bridge NDC area alone, 59 per cent of which were classified as unfit for habitation - accommodating large numbers of single homeless people and other transient population groups. The response in The Bridge has been to target a relatively large proportion of the total spend on housing and physical environment (£3 million out of a total of £8 million) on improving conditions in the private rented sector.

In addition to concerns about the physical condition of the local housing stock, NDC officers also pointed to the mismatch often apparent between the needs and requirements of the local population and the nature (size and design) of the local housing stock.

“While it is fairly high density, it is the wrong type of density for the age we live in. What London, this area needs is larger accommodation. What we have in most of the tower blocks are one and two bedroom flats. Newham, as a whole, has an excess of one bedroom flats, so what we have demolished are mainly one and two bedroom flats. We have a shortage of 2 bed flats, so we don’t want to demolish all the tower blocks. We are only demolishing two of the five. But a lot of the other stuff that got deared were one bedroom flats. We have over 90 people on our waiting list who have been waiting over 10 years for a 4 bedroom property. Ninety-nine per cent of those are from the homeless waiting list.” (NDC Officer, West Ham and Plaistow)

The result was reported to be severe overcrowding, as an officer at The Bridge NDC pointed out:

“Overcrowding is an issue. For example, in some of the one-bed hard-to-lets, there are couples with one child and because there is such a long wait, people are having more children in the meantime. In the baseline study a high percentage of people on the transfer list were on it for reasons of overcrowding. Larger houses are planned to overcome this but there are not that many. One initiative that is being progressed is working with a housing association and purchasing individual street properties and then letting to larger families on a shared ownership basis.” (NDC Officer, Seven Sisters NDC)

3.3. Problems and Challenges Associated with the Private-rented Sector

Poor living conditions in the private rented sector have already been highlighted. NDC officers from The Bridge also reported that the deteriorating quality of private rented stock in the area was undermining the quality of the physical environment. In particular, the first MORI poll of resident views and opinions highlighted concerns regarding the state of the flats above shops on the two main roads running through the area - Seven Sisters Road and St. Ann’s Road - which had become a priority for the NDC to address.

An additional challenge associated with the private rented sector was the accommodation within the sector of relatively larger number of transient, disadvantaged and vulnerable households. Houses in multiple occupation (HMOs) were identified as a particular concern:

“It occurs to me that we have a large number of single person hostels in the area and that causes a pressure in terms of single homelessness and on short life accommodation. I think it is the scale of this issue that is particular to London. There is also an issue about the mental health support for those in housing need. I think it’s those type of things that are particular to London, the intensity of the issues.” (NDC Officer, The Bridge NDC)

It is important to emphasise that these population groups were not usually identified as a problem in themselves. Both officers and residents expressed concern, however, about the consequences of the presence of a large transient population for the stability and well-being of the community. In particular, respondents reflected on the difficulties developing any sense of commitment to the area among households unlikely to remain in the area for any length of time and pointed to the challenge of working with local residents to limit tensions and conflict between different groups when so many people were ‘on the move’.

3.4. Supply of and Demand for Affordable Housing

“I think high demand is the most important issue and the poor environment.” (NDC Officer, The Bridge NDC)

Despite the provision size of the social rented sector in the London NDCs (see Table 2.1), a recurrent theme in discussions with both officers and residents was the under supply of affordable housing. Implicit in these comments was the assumption that owner occupation was never going to be affordable to the vast majority of residents. Subsidised, low cost home ownership was also thought likely to be out of the reach of the vast majority of residents, as was shared ownership:

“There is a real issue of affordability. It wouldn’t surprise me if shared ownership also ends up being unaffordable for the people it should be directed at. Shared ownership probably doesn’t address the aspirations of a lot of people. It may address the aspirations of people who are working but couldn’t afford to own outright.” (NDC Officer, SHOW NDC)

“There is an intention to create shared ownership to enable people to get on the property ladder but average incomes are as follows: council tenants £8,000, housing association tenants £7,000, owner occupiers without a mortgage £24,980, with mortgage £40,000 and private renting tenants £24,000. The average price of a three bed house in the area is about £220,000, so even with shared ownership, prices for most people will be unaffordable.” (Local Authority Officer)

Affordable housing was understood to mean social rented housing and more was thought to be needed to address problems of overcrowding, homelessness and the difficulties encountered by young people wanting leave home but remain in their local area:

“I think the issue that we can’t address at the moment is the shortage of accommodation. There are two problems. We don’t have enough money to build and also we don’t have the space to build. Everybody’s saying ‘we want more houses built’ and complaining that they have children in their twenties still living in the house, but we can’t build unless we’ve got space.” (NDC Board Member and local resident)

Some of the officers interviewed suggested that these problems had been amplified in recent years by the loss of affordable / social rented stock through right-to-buy, which was regarded as “*eating away at the stock.*”

3. Challenges Delivering Housing Interventions

4.1. Introduction

The housing programmes of London NDCs vary in range and nature, from major redevelopment schemes, such as in South Kilburn, where £21 million has been dedicated to housing, through to more limited interventions, such as in EC1, where housing-related activities focus on security measures and environmental improvements (Table 4.1). Rather than providing a comprehensive review of this range of initiatives, this chapter spotlights five issues that emerged as challenges unique and particular to NDCs in London. The first three points relate to programme development and delivery, the last two to challenges managing the consequences of change:

- funding
- governance
- leaseholders
- availability of land and high density of rebuild
- population change and associated challenges

4.2. Funding

“Everything in London is more expensive to do. We have exactly the same (housing) problems but the solutions have to be more creative and need to involve the private sector much more.” (NDC Officer)

The challenge of funding housing interventions was identified as one of the major challenges facing NDC partnerships in London, particularly those pursuing major redevelopment and refurbishment programmes. Even in NDCs where a large proportion of the total budget was allocated to housing interventions, the sums were reported to ‘just not add up’. NDC officers recognised that there was an obligation on NDCs to lever in additional resources to supplement core funding from government, but suggested that the size of the funding gap, particularly in NDCs proposing major redevelopment programmes, was too wide to bridge without major knock-on effects for the area and its residents.

A story line that emerged from a number of senior NDC officers to explain this funding gap was that the NDC programme under-estimated the extent of housing problems in many NDC areas and failed to predict the importance of housing issues to local residents. As NDCs began to assess the scale and nature of the housing problems in their area, it soon became clear that the budgeted funds available were insufficient to effectively address the problems identified. NDCs were therefore faced with the choice of seeking additional resources, which might involve various compromises, or scaling down their housing activities. The consequences of doing so, however, were reported to be significant, the emphasis placed on housing interventions reflecting the view that housing problems underpinned a whole host of other problems in the local area - health and well being, crime and anti-social behaviour, educational attainment - and that the NDC’s housing programme was integral to addressing these other priorities.

Table 4.1: Overview of Housing Activities in London NDCs

NDC	NDC Housing Initiatives (Proposals and Activities)
Aylesbury	initially planning work on a quarter of the estate, activities being rolled out to other areas at a later date work to improve security, including concierge systems, redesign of block access, redesign work, including the replacement of high level walkways, ramps and open staircases with secure lifts for the upper storeys and direct ground floor access to individual flats external improvements to the blocks and environmental improvements to open spaces
Clapham Park	masterplan proposals include redevelopment, refurbishment, security and environmental improvement work and the option of stock transfer proposed increase in the number of houses for sale environmental improvements to open spaces improvements in grounds maintenance, estate cleaning, highways, repairs, refuse collection, graffiti removal and customer facing housing management services
EC1	security improvements, including new doors, entry systems, concierge systems, CCTV improvements to play areas and gardens
New Cross Gate	proposed redevelopment and refurbishment focused on particular estates NDC resources focused on environmental works capital housing works delivered through stock transfer, with a higher density on rebuild to subsidise redevelopment
North Fulham	proposed redevelopment and refurbishment of deck access blocks neighbourhood management initiative private sector neighbourhood renewal plans, focusing on improving standards in the private rented sector shared ownership initiative and key worker housing coming on stream environmental works to public spaces around the housing
Ocean	redevelopment of portions of the estate, leveraging funds in through stock transfer, and increasing provision through high density building refurbishment to remaining blocks
The Bridge	area renewal programme, developed in partnership with Borough, aims to improve private sector housing and improve council housing neighbourhood management project, focusing on co-ordinating environmental enforcement and neighbourhood management the Borough is funding work to raise the housing to the decent homes standard - some demolition and rebuild resulting in higher densities
Shoreditch	targeted refurbishment of 1000 homes (out of a total of 6000 in the NDC) to above the decent homes standard management initiatives, for example, local lettings policy development of new housing/business premises for sale, which will cross-subsidise work on the remaining homes
South Kilburn	key NDC objective is renewal of the housing stock, involving demolition and rebuild, as well as refurbishment progress made in securing local support for redevelopment plans (74% resident approval of masterplan) development of accommodation for sale, to cross-subsidise other activities
West Ham and Plaistow	a mixture of demolition, redevelopment and refurbishment of council properties carried out in collaboration with the local authority safety issues in the tower blocks being addressed through concierge systems and CCTV private rented sector strategy developed in partnership with the council and housing associations, with the aim of improving conditions in the sector

One senior officer underlined this point by contrasting the NDC funding regime with the Housing Action Trust programme, which he perceived as having similar aims and objectives to his own NDC:

“In previous regeneration schemes, such as HAT, the Government was more generous in its dole out of regeneration funds. For example, here the housing capital spend is £21m and that means that there is a massive shortfall to make up with other funds if you are going to undertake major housing works. So we had to take a more radical approach and lever in private finance. The HAT was given £200m. For our scheme, we have to raise £500 to 600m to cross subsidise, so we are taking a risk. Where is that going to come from if people don’t buy the properties?” (NDC Officer)

Bridging this gap was reported to necessitate large scale private sector involvement, which caused unease among many respondents, less because of ideological opposition to working with the private sector and more because of concerns about the knock-on effects of private sector involvement for the objectives of redevelopment and renewal in the local area. To summarise, there was general agreement across the London NDCs regarding the need for more affordable housing units. Drawing in private developers to provide properties for sale might represent an effective mechanism for leveraging in private sector funds that can be used to cross-subsidise the provision of affordable housing (for example, through land sales or planning gains agreements). Doing so, however, reduces the space available for affordable housing units, while doing little to meet the needs of local people. NDCs seeking to merely maintain the status quo, by guaranteeing the same number of social rented units following redevelopment, are therefore required to build at relatively high density levels, a point to which we will return below.

While some NDC officers and residents talked about the compromises associated with bridging the funding gap, others talked about the difficulties of bridging the gap at all. In more than one NDC these difficulties had resulted in major delays to the delivery of the housing programme. Some NDCs reported problems recruiting partner agencies from the public and private sectors, in one instance three separate requests having to be issued before a housing association partner came forward:

“there was some difficult history on the estate and it was kind of a by word for a kind of urban depravation, you know, rightly or wrongly, it had that reputation and I can only assume that was part of the problem, they actually, literally didn’t, I think on the first attempt they didn’t get anybody coming in, on the second attempt there weren’t enough bids so they kind of went out for a third time and at that point they got more interest.” (Local Authority Housing Officer)

In this particular case, once the housing association had been recruited and the architects were in place, a review of the masterplan agreed with local residents revealed a far larger gap in funds than previously anticipated:

“the funding gap is primarily the reason why it’s been delayed so much....we reviewed the master plan we found to our horror that the actual gap funding requirement was a lot bigger than what was initially agreed at the master planning stage. And even more of a shock when the government said there is no money, even though the master plan was signed off by everybody with a funding gap of £60m at the time. And what we were told is, you know, go away, manage expectations, come back with something cheaper; and that has taken us, well, almost a year now to do that process, so that’s caused a delay in our programme” ’ (NDC Officer)

Local residents were therefore reported to have seen no real improvement in their local area after four years of NDC activity:

“to deliver a regeneration scheme where you had demolition and rebuild, you know, the figure was at one point exceeding £100m which clearly wasn’t going to be made available for here or anywhere else. So what we had to do was having raised the expectation of the local community three years ago, basically we had to dash those expectations to a large extent....I think they basically they’ve had enough of that really and they want something to happen.” (NDC Officer)

The result has been faltering commitment to the NDC among local residents. An option now being explored in this case is stock transfer, as a means for levering in resources for the purpose of renovating and refurbishing the local housing stock. Stock transfer, however, can only progress following a ballot of local tenants. Access to the resources associated with stock transfer can be fraught with difficulties. Although some NDCs in London have successfully managed to negotiate these difficulties, other have fared less well, as the experience of the NDC below testifies.

Case Study: Levering in Funds Through Stock Transfer

This case study NDC is dominated by social rented sector provision, which accounts for more than 80 per cent of the local housing stock. Original plans for regeneration of the area centred on major redevelopment of the housing stock, as well as the rebuilding of at least one local school and improvements in community facilities and the local environment. Fundamental to the financial viability of this programme of activity was the funding to be drawn in through stock transfer. Tenants, however, voted to reject stock transfer, many tenants being content with the size and design of their current accommodation and concerned about standards in the newbuild accommodation, worried about rent levels and tenancy agreements following transfer, concerned about density levels on newbuild and expressing high levels of satisfaction with the local authority as a landlord:

“people actually liked the council as a landlord, they didn’t want a transfer. They wanted the investment and nobody’s arguing about the investment, they didn’t necessarily agree with the fact that the estate needed to be redeveloped completely, and they were sort of unsure of change, so if you’re unsure of change you don’t know, is the conclusion.” (Local Authority Officer)

The most immediate consequence of the transfer ballot was that less resources were available for the regeneration of the estate, forcing the NDC to reconsider its delivery plan:

“It meant a radical rethink of the programme really, because the programme when it was put together was put together very much on the basis that the estate would be demolished and transfer to a housing association would be demolished and rebuilt. And many of the NDC projects were associated with the revenue projects, social and economic projects, were associated with supporting residents through that process. And the bulk of the thinking about the physical environment was, you know, that would be sorted as a result of the redevelopment, NDC funds would be used to support that but there didn’t need to be any particular thought to what they would be because the housing association had got that all sorted. So the point at which the decision was, the no decision was announced, yes it left the NDC in the situation where it had to develop a plan B because there wasn’t one.” (NDC Officer)

In response, the NDC has focused its attention on one corner of the estate in the hope of securing some early wins in an attempt to inspire confidence among potential partner agencies and investors:

“they needed to get on to do something and so that sort of led to the decision about well lets go for an incremental approach, lets start in one part of the estate, demonstrate some change, use that to develop some confidence locally but also hopefully some confidence amongst the funders whoever they may be that something is certainly happening, it’s not just plans, action is actually happening. And so it’s from that basis that the idea of starting a pilot in one part of the estate came from.” (NDC Officer)

The cost of the work in this area of the NDC was estimated to amount to the £25 to 30 million. A total of £28 million was earmarked to resource activities. Costs subsequently rose, however. Gap funding was secured from the London Housing Board, but a reduction in funds available from the local authority and a reduction in the amount raised through the sale of land, mean that a gap still exists between projected income and spending. Struggling to scrape together the resources to fund the work programme in this small section of the estate and faced with an estimated bill of £93 million to roll out the work to the remainder of the area, the NDC and the local authority have been working to identify possible solutions to the funding gap. Possibilities identified include:

- the further sale of land and void properties, although the area is not as popular as some other London NDCs to prospective developers or home owners (indicated by relatively low levels of right-to-buy sales)
- the submission of an ALMO application, to access additional resources from central government, although this option would be unlikely to bridge the gap in funding
- ‘prudential’ borrowing on the private market, although it was suggested that the local authority’s financial situation makes this option less than viable

“Well the government would say there is no other way, the only funding routes that are available is PFI transfer or ALMO. ALMO, even if we applied for and were successful, would never give us the level of resources on it’s own that we need. Transfer has been tried and rejected. PFI actually brings many of the same issues with it really, so it’s not a particularly strong runner for us. So we’re in a bit of a problem really, we have got a bit of a problem.” (NDC Officer)

4.3. Governance

The governance arrangements associated with the delivery of a local regeneration programme, such as NDC, involving a cross-sector partnership of statutory and private sector institutions and local residents, are inevitably complex and not unknown to be problematic. Rather than revisiting this well-trodden territory, interviews with NDC officers and staff in partner agencies (housing association, local authority housing departments and such like) and local residents, including resident board members, focused on identifying challenges particular or unique in form and nature to London NDCs. Two key issues emerged: resident engagement and involvement and relations between the NDCs and partner agencies, in particular, local authorities.

The challenges associated with resident engagement were reported to largely stem from diversity of the local population in the London NDCs. The ethnic diversity of the local population in the London NDCs was revealed in Chapter 2 and some officers referred to the challenge of ensuring the engagement of different ethnic groups in policy development and decision-making processes at the local level. The problems identified by officers, however, were less with engagement of different groups - although the

plethora of organisations claiming to represent different ethnic, cultural and religious groups was reported to raise some confusion about exactly who was being represented - and more with tensions between groups engaged in the NDC process. A familiar dynamic was revealed by NDC officers, as representatives of different population groups sought to ensure a share of the resources were targeted at areas where their community members are residentially clustered:

“In this NDC, we are beginning to unearth an issue between the white Kurdish Turkish community and the settled Caribbean community and the African community. There is beginning to be that tension and we believe that has been the root of conflict in the organisation at board level that we have had to manage and in fact we weren’t able to resolve it and we had to take action against the bad behaviour of particular individuals on the board. Talking to GOL, this issue of new power dynamics, if you like, essentially about choices where we spend money and where we don’t spend money, is beginning to be a bigger problem, a more visible problem than it was in the first three years” (NDC Officer)

‘Empire building’ was another problem reported to rearing its head on NDC boards, with resident members claiming to represent the community, but more accurately representing the interests of a specific element of the local population or, as one NDC officer reported, their own personal interests. Similar concerns were raised about the presence of long-leaseholders (people who have exercised their right-to-buy their council flat) on NDC boards, an issue addressed in more detail in section 4.3:

“There is a huge bureaucracy involved in setting up an NDC housing programme. Ironically, it is difficult to gain the views of residents because the elected residents’ representatives may not represent the views of people in the community, since they may have personal interests. There is a need to get the Board to behave in a responsible manner. We have two tenants on the Board out of 16 resident reps. So most of the others are leaseholders. And what you are talking about is a stock transfer where tenants have got to vote and they’re the ones that count. The main thing you are trying to address is tenants’ housing conditions. Whereas as what comes up all the time is ‘what are you doing for leaseholders?’ why aren’t you addressing leaseholder issues?’ The actual voice of the tenants doesn’t come out as much, although that is something we are trying to address. .” (NDC Officer)

Even where residents were reported to be actively contributing in a considered and responsible manner, problems were still reported to occur:

“The main issues for this NDC are in the problems of the internal relationships within the NDC. There has been a problem about getting clarity about what actually we are supposed to be doing. We have documentation about what our housing strategy is and we have a very clear commitment about involving members of the community. They want to have a strong role in what gets delivered and how it gets delivered. They know they are not there to actually do the work, but there has been a long process in becoming comfortable with what being decision makers means. So decisions take a long time and are fragmented. There is a sense of an eternal round of interpreting what is meant before a decision is made. This has been frustrating for the team of officers. The endless dialogue is part of why we are not delivering. I am the third person to run the housing effort and what I am here to do is to ensure that delivery happens.” (NDC Officer)

The second governance issue spotlighted in discussions with officers related to relations between the NDC and partner agencies and, in particular, between the NDC and the local authority. The relationship between an NDC and its local authority is

critical to the effective delivery and future sustainability of the NDC programme, given the role of as NDCs as enablers rather than delivery vehicles, as an NDC Chief Executive pointed out:

“There is a high correlation between successful NDCs and a positive working relationship with the LA. Also, I believe where you have a project with a large capital investment, you will get sustainability because extra revenue funding will follow. Mainstream funding will come in.” (NDC Chief Executive)

This relationship was regarded as all the more critical in London, given the large proportion of the local housing stock in NDC areas owned and managed by the local authority and the importance of drawing in resources at the local authorities disposal, including significant funds available through stock transfer.

Working relations between London NDCs and their local authority vary tremendously. Some NDCs reported close and highly productive working relations that were established in the very early days of the NDC programme:

“The response of the housing department to the NDC programme was magnificent. They immediately sent seven people down here... to work hand in glove with the NDC. The seven people are still employed by London Borough of Brent. The commitment from the council has been both politically and corporately.” (NDC Officer, South Kilburn)

In other cases, NDC and council officers reported difficulties *“generating a productive relationship”*. Problems were not necessarily reflective of a tension between the NDC and the local authority, rather than a failure to develop an effective working relationship:

“We see the need to be working with the council and not separate to the council. The way it works here is that the work is all being procured by the [local authority development team] but we have to pay for their services. We have seriously considered putting the project management of the works out to tender. It hasn't happened yet but it is a possibility.” (NDC Officer)

In other examples, however, real tensions were apparent between NDCs and their local authority, with the two organisations working to separate and, not always complimentary, agendas. In at least one example, NDC officers reported that relations with the local authority were undermining delivery of the NDCs housing programme, with the local authority's indecision regarding the future of its stock in the NDC area preventing access to vital resources. These contrasting relations between NDCs and their local authority were noted by one senior NDC officer, who compared his own NDCs very positive relationship with the local authority with the situation he had observed in other London NDCs:

‘I know some of the discussion that I've had with a couple of other NDCs, we're seen in quite an envious position because some NDCs from what I understand, are really struggling with their local authorities in terms of getting co-operation. And for us it's definitely a kind of parallel joint partnership approach and the co-operation that we're getting from the council is tremendous. And things like for example they agreed two years ago the decant status, you know, that was in a sense it has brought it's own difficulties, but it does put us in a position where if we do get a positive ballot, then you know, as soon as the stock is transferred it's possible for us to get on with the work. And a lot of other NDCs, I don't think anybody else is in that position where that's been done...the amount of resource they've allocated in terms of human resources has been really helpful to the point where we essentially

manage with [local authority housing officer] as the lead person with a couple of other people providing support. Whereas I've seen in other cases and other people, you know, NDCs are recruiting whole entire development teams to be able to take that forward.' (NDC Officer)

More problematic, for this particular officer, was the working relationship with the NDCs housing association partner, which was reported to be less than committed to the full range of NDC activities:

"we are finding that we are having to now work very closely, but at the same time almost watch over [partner housing association] to an extent...as a housing association which it's primary role is to build homes and manage home, you know, unless we kind of continuously bring them back and say actually you need to look at it from the wider context, you know, how is that going to impact on various aspects of NDCs work. ..But this is going to be something that we're going to have to continuously carry on for the next 10 years or for as long as the NDCs around and beyond really... it keeps on bringing, the challenge is about keeping them focused on the same agendas as the NDC has, and they always don't naturally kind of align in spite of having mechanisms to ensure that that happens." (NDC Officer)

4.4. Leaseholders

As revealed in Chapter 2, London NDCs are unusual in containing relatively large numbers of long leaseholders; council tenants in flats who have exercised their right-to-buy. The presence of long leaseholders was reported to raise two fundamental challenges for NDCs, which in some instances had turned into major headaches that were delaying and, in at least one case, threatening to derail delivery of the NDC programme. First, leaseholders represent an additional constituency with which NDCs have to engage and negotiate. Second, the presence of leaseholders raises an additional funding consideration, that can prove to be a major drain on NDC resources. These two issues are best illustrated through two case studies, anonymised to protect the identity of the residents, NDC officers and board members and local authority offices who talked so openly to the research team.

Working with Long Leaseholders: Case Study 1

In case study 1 NDC officers estimated that one-third of residents in the area were long-leaseholders. Leaseholders were reported to be a very vocal and active element of the local population and a large number of resident board members were reported to be leaseholders. Officers suggested that leaseholder activism reflected the very particular consequences of the proposed programme of demolition and redevelopment for long leaseholders:

- a) *Recharging* - leaseholders are liable for a share of the costs associated with improvements, as well as maintenance and servicing, of the blocks in which they live. Leaseholders in case study 1 raised concerns about their ability to pay their share of the costs associated with major block refurbishment, which could run into thousands of pounds. Leaseholders also suggested that major refurbishment was only necessary because of the local authority's failure to adequately maintain the block over a number of years:

"outstanding repairs should not be recharged [to leaseholders], you should only have to pay for improvements...there's been no planned maintenance everything's been done ad hoc when forced to...if you haven't done the repairs and it develops

into a major works why should we pay? Its bad management". (Leaseholder and NDC Board Member)

Recognising these problems and conscious of the potential for leaseholders objecting to recharging levels to delay programmed activities, a cap of £10,000 on recharging costs. An NDC Officer suggested that the expertise of a housing association partner had been vital in brokering this agreement:

"the situation that the ten thousand cap applies for recharge works...I think its been helpful. [Housing Association] seem to have a bit more of a developed policy around charging leaseholders for work as well, and they seem to have more flexibility than the council, so, I mean, they are able to offer loads of different sort of repayment options and stuff like this and putting charge on the property etcetera, so that hasn't really been such an issue." (NDC Officer)

b) *Compensation* - a major concern for leaseholders and a financial headache for the NDC was reported to be the payment of compensation to leaseholders whose flats are located in blocks designated for demolition as part of the redevelopment programme. NDC officers reported that the payment of compensation to leaseholders added millions of pounds to the cost of the redevelopment programme:

"One of the ones that's been clearly acknowledged nationally is the case of high percentage of leaseholders, 'cause I think about a third of the council owned, well a third of the estate is leaseholders...the total population for the area is 6500 people, so a third, you know, you're looking at around 1500 I think...The implication for that on the housing programme is that, you know, we have to spend a significant amount of money just to buy back...house prices are actually extortionate. I mean you know, a two bedroom flat in a run down block they're going for £150,000, £180,000." (NDC Officer)

Even so, as both NDC officers and leaseholders observed, the compensation package available was insufficient to allow leaseholders to purchase a comparative property on the redeveloped estate or in the surrounding area. Shared ownership was promoted to leaseholders as an alternative, although many leaseholders were reported to regard this as a "step backwards". There was some suggestion, however, that as leaseholders became more informed about shared ownership they became more willing to consider the option:

'the ones [leaseholders] that I've seen and the ones that have come to meetings have said they are quite reasonably happy with it I can't see personally I can't see anything wrong with shared equity.' NDC Leaseholder Board Member)

Other 'sweeteners' were also reported to be under offer to leaseholders, including the clustering of leaseholders in specific blocks:

"people [leaseholders] that have, sort of, chose to stay in the, sort of, first demolition blocks are very much of the view that they're looking for some sort of arrangement whereby there's definitely no rental element in any sort of replacement housing.' (Housing Association Officer)

c) *Power and Influence* - within this particular case study leaseholders were active within local resident groups and had secured representation on the NDC Board. Central to the redevelopment programme, however, is a proposed stock transfer, a process over which leaseholders have no control, unlike their tenant neighbours:

"I think the issue with leaseholders has been about how much influence they can have on the stock transfer given that they don't vote formally and you know statutory they're not they not taken into account although it will be obviously because given the amount of leaseholds on the estate you know they're really significant tenure and they are very vocal I think that has been the major thing really its how they can actually influence the process you know and how their concerns can be articulated and actually meaningfully incorporated really, to be honest." (NDC Officer)

The NDC reported making efforts to consult with leaseholders regarding proposals, but recognised that the stock transfer proposals were a source of tension between leaseholders and tenants and the NDC:

"obviously leaseholders are consulted but they don't have a vote in the ballot which creates some, you know, strong tensions in the community." (NDC Officer)

Working with Long Leaseholders: Case Study 2

"£12m of the NDC budget is set aside for concierge, new doors, entry systems etcetera. This planned work is the result of consultation that took place two summers ago. When the programme began to be rolled out we ran into the recharging problem. Some estates have a majority of leaseholders and a third of all properties are leasehold properties. In some cases, it has stopped work going ahead because people were outraged at the amount that they were being asked to contribute. This has caused a split on the board because there are quite a lot of leaseholders on the board. There have been awful public meetings on the subject. Some are very large projects, with over £1 million being spent just on security." (NDC Officer)

The second case study NDC represents a relatively mixed neighbourhood, with some areas of gentrification adjacent to relatively deprived local authority estates. NDC officers reported that up to 30 per cent of residents in the area were leaseholders, the right-to-buy being very popular, given land values and rising house prices, a two bedroom flat in the area being valued at about £250,000 in the autumn of 2004.

The complex dynamic between the NDC, the local authority, leaseholders and tenants was reported to be fermenting tension within the local community, undercutting effective partnership working between the NDC and the local authority and delaying delivery of the NDC housing programme. Problems were reported to date back to 2002 and centre around the issue of recharging leaseholders for work undertaken to blocks of flats in the area. In 2002 community consultation on crime and anti-social behaviour, which was "a very big issue at the time", raised various priorities for action, including improved security in the blocks of flats in the area. The NDC board agreed to invest £10 million improving security and the programme of work was drawn up in line with the council's capital improvements programme and went through the application and appraisal procedure. Problems emerged in moving forward with the plans, however, the recharging of leaseholder proving a major sticking point.

Leaseholders had previously been served with Section 20 notices by the council for costs relating to improvements undertaken to play areas as part of the NDC programme. The NDC claimed to know nothing about the charges levied to leaseholders, but soon became aware when leaseholder concerns were raised at Board level, where leaseholders have a majority among tenant representatives. NDC officers reported the council was sticking to the practice of charging leaseholders for all work done, even in situations where the NDC agreed to cover all costs. The council and the

NDC were reported to have brokered an agreement regarding the play area work, but an impasse was reported regarding the cost of the security work, with the NDC under major pressure from leaseholders to push the local authority to revise its blanket policy on recharging. In the meantime, the NDC has moved forward by following the majority view among local residents regarding whether or not the work should go ahead. In some areas, where there is a majority of leaseholders, residents have voted against undertaking the security improvements, leaseholders pointing out that the bill that some leaseholders would receive for the security improvements would be in addition to bills already received from the local authority, for example, for £15,000 for new windows and some £30,000 for improvements designed to bring blocks up to Decent Homes standards. It was not therefore surprising to learn that where the vote was in favour of undertaking the work tensions have been reported between leaseholders and residents.

NDC officers reported being caught 'between a rock and hard place', bemoaning the local authority's intransigence and reporting that the NDCs reputation was, meanwhile, suffering, not all local tenants and leaseholders necessarily understanding the particulars of the situation:

"The NDC is caught in the middle, between the leaseholders and the council... We are quite desperate to have a clear statement from the council. There's never been a formal statement from the council to leaseholders." (NDC Officer)

NDC officers also complained about the lack of support from the Neighbourhood Renewal Unit, although recent discussions with the ODPM were reported to have resulted in some progress regarding the legal situation relating to recharging. Ultimately, however, officers were bemused by the local authority's position, with even small projects failing to secure local authority approval, despite the NDC offering to pay all associated costs:

"If a regeneration programme is prepared to pay 100 per cent of the cost why can't the council go ahead with it?" (NDC Officer)

In the meantime, much of the £10 million allocated to the 'flagship' security improvement scheme goes unspent.

4.3. Availability of Land and High Density on Rebuild

NDCs reported various pressures driving them to increase population density in their area:

- the need to provide more affordable housing units in the area, to satisfy demand, tackle overcrowding and improve living conditions for the very many households unable to access owner occupation
- the need to free up land for private sector development of houses for sale, as a means of leveraging in private finance
- pressure from the Government Office for London to increase living densities

These competing demands were effectively summarised in the comments of an NDC development manager:

"Density is lower than the surrounding areas but the national Government's policy in terms of planning and particularly the mayor's policy is for high density. We are very much an inner London location. We have fabulous transport. We are around town centres. Every bit of guidance would say, increase your density. Residents

were very aware of that and what we were doing was hard on the heels of [another] NDC, where there was high density and they proposed even higher densities and even though it was thrown out by residents, it was clearly stated to one of our residents at a conference, by the mayor that if it had have been accepted, then he would have sent it back because it wasn't high density enough. And so that issue about density, whilst it is something that we have overcome, it was an issue because from day one, it was about affording the project but there was also the issue about the fact that it would have to become a planning application, that it would have to go through that process and we wouldn't have got it passed the necessary levels if it wasn't seen as appropriate." (NDC Development Manager)

Increasing density on redevelopment was reported to be a major concern among local residents in all NDCs, with opposition, in some instances, threatening the viability of plans and forcing masterplans to be redrawn and densities reduced. Resident concerns were reported to centre on the strain on the local infrastructure (services, transport and such like), higher density living, by definition, resulting in an increase in the local population, and the potential for tensions to arise between existing and incoming populations:

"It will be okay providing they put in the infrastructure to deal with the newcomers - more trains and buses. There will be about an extra 3,000 people when the area is developed. The schools will have to be looked at, the roads will have to be looked at, sports facilities and shopping plazas and also local enterprise centres, so new businesses can start." (NDC Resident)

"I think it will be okay with newcomers to the area if they are going to pepper-pot the housing for sale, so it will encourage people to mix. I think they have to be really careful to avoid the social housing being in one place and the private housing in another." (NDC Resident)

One NDC officer suggested that attention to the local infrastructure was something of an after thought, initial projections not foreseeing the likely increase in the local population and capital investment plans to develop facilities in the area being worked up at a fairly late stage:

"there's all sorts of questions being raised about the infrastructure given the sort of change in the density and the demography and then you know the strategies aren't there but in effect that's because we only know now you know that these sort of details of this change. You know five years, four years, three years ago we had a different totally different picture. So I suppose in a way the main sort of capital investment should be in place maybe before the other things but then we're under pressure to spend and achieve our objectives, you know for residents and government" (NDC Officer)

Resident concerns in one NDC had been somewhat tempered by the NDCs commitment to ensure that the area will provide the same number of social housing units following redevelopment:

"In the original proposal the housing was going to be twice as dense as the one we have ended up with. We were going to build 2250 homes for sale and now it is planned to build 1419. This is the only scheme in [Borough] where regeneration is taking place, where we have been able to retain the same number of social housing units." (NDC Officer)

This did not mean that residents were still not concerned about the consequence of higher densities, however:

“where you say ‘look guys, the only way to get this done is if we build an extra 1419 homes for sale’. People immediately start getting worried about all sorts of things like density.” (NDC Resident)

4.4. Population Change

Population change is an inevitable consequence, as well as sometimes being an explicit objective, of major regeneration initiatives. This is particularly true in the case of major redevelopment programmes, such as those being developed in a number of London NDCs. Population change, however, was typically assumed to involve the in-movement of new groups, and not the displacement of existing residents. Even in NDCs where an explicit commitment was given that any existing residents wishing to remain in the area would be able to do so, the prospect of 12 years of redevelopment activity, it was suggested, could well result in many local people deciding to take the compensation on offer and move on elsewhere. Even if existing residents remain, their neighbourhood is likely to experience dramatic changes in the local population. In one NDC, for example, the local population is forecast to double, following the development of 1,000 new homes for sale, raising potentially huge challenges:

“its going to affect the demography of this estate and you know the sort of feel of this estate massively. I think when you’ve got that amount of people moving into the area...seven hundred homes there and two that’s like a thousand new homes of private tenure...I mean there’s only one thousand seven hundred homes now...that’s like double the homes and you know another group of people who haven’t really been that haven’t really been in the area before really you know they’ve been on the outskirts but not actually right in the middle of it so I think the community will be I think that’s an issue really I think that’s what they’re finding a bit hard the challenge.” (NDC Officer)

Respondents stressed the importance of ensuring that needs of existing residents were not forgotten in the rush to draw in private sector development, diversify the stock base and foster greater social mix. As one NDC Board member put it:

“You need to make sure the indigenous population still benefit from things that bring in a load of yuppies. So on the one had it’s great, on the other hand there are still those concerns and it’s about getting that balance.” (NDC Board Member)

Tensions were thought by some NDC and local authority officers, however, to be inevitable:

“I think there is a certain amount of, I suppose it’s natural animosity about, it’s like a social engineering thing, a sort of gentrification process and people are asking, ‘why are they bringing the rich in?’” (NDC Resident)

The challenge then becomes how to minimise and manage such tensions when they do arise. The response in one NDC has been to minimise the potential for existing residents to feel marginalized and excluded within their own neighbourhood through the provision of social and community facilities available to all. The NDC is also intending for housing and neighbourhood management support and services to be delivered across tenure, to prevent the area becoming divided along tenure lines:

"What you have got to do is make sure the indigenous population is protected. So, what we want to do is make sure that there is a community based HA for the local area, not only managing all the social housing but managing all the private property as well. We are going to build them an FE college, we are going to build two healthy living centres, we are going to build them a sports facility. We are going to refurbish a number of community buildings. We are going to build a new church for them. We are going to build a business incubation centre - stuff that keeps the community cohesive. I think they realised it needed the mixed tenure to make it work. For us, we needed to create all those facilities to bring the community together. We are not going to build a social enclave here and a private enclave there. They are going to be pepper-potted about. But what we have got to make sure is that the middle class kid goes to the same recreational facilities as the working class kid, because that is what will facilitate cohesion." (NDC Officer)

Despite these commitments, some residents remained sceptical about consequences of redevelopment for the existing population.

3. Opportunitites for Housing Interventions

5.1. Introduction

The previous chapter outlined a number of challenges that appear to be unique or, at least, more extreme within London NDCs. Analysis also revealed, however, a number of opportunities unique to London NDCs:

- the opportunity to lever in resources
- the dominance of the social rented sector
- the sustainability of NDC neighbourhoods
- opportunities for creating greater social mix

This chapter provides a summary overview of these opportunities and advantages.

5.2. Levering in Resources

As one NDC officer commented *“everything costs more in London”*. This same officer recognised, however, that London NDCs are in a unique position to lever in funds and, in particular, private finance, given the security provided by high land values, rising house prices and a city-wide context in which demand outstrips supply:

“What makes it different to the North is the land values. Companies will have no problem in making the project work in this area because of that. The important thing in choosing a company will be the quality of the management proposed post development.” (NDC Officer)

“600 yards from this office is a road where the prices start at £1m. What we have is a 60’s monolithic housing estate but there are very good transport links. This allows us to build the homes for sale, because of the proximity to central London. We are confident that we can sell the properties. We have been able to make this work because we have used the market for social ends.” (NDC Officer)

With land being such a scarce commodity in London, redevelopment programmes involving demolition and redesign of the neighbourhood were reported to provide a major opportunity for leveraging in private sector funds, with increased living densities on new build freeing up land for sale to private developers. Private developers, for their part, were reported to have few doubts about getting involved, regarding the development of homes for a sale as a relatively risk free enterprise in NDC areas:

“it is about the bottom line for developers, they’re pretty shrewd and they clearly think they can shift them and shift them to probably first or second time buyers is the vibe I’m getting, as to where they’re coming from, no I don’t know, I mean maybe they’d be moving within the borough, surrounding areas but probably just people who work in the city because you’re near to transport, roads...so its anywhere really I guess, we don’t trouble ourselves beyond considering that it will work and they’ll be saleable” (LA Officer)

Housing association partners were also reported to be confident about committing substantial resources to the redevelopment process for similar reasons:

“I mean I think that the comfort for [housing association] is in terms of locality, you know, it is well placed for Docklands, the City, a lot of people are commuting much,

much further out...I think it's an area that we feel comfortable as being an active developer." (Housing Association Officer)

Such confidence was reported to be rarely based on detailed analysis of risks and opportunities, the success of proposed schemes appearing to be taken as a given:

"[Partner housing association] are prepared to take a hit on it and take the risk, certainly ODPM feel that it's a prime development site, no ones actually got that much evidence other than the belief that this area needs housing, needs private housing, that the jobs are here and that people will want to live here...we compare with other developers that we work with and also in the area, so we kind of market tested the assumptions that they did about value so at the moment you'd be looking probably at a one bed in the region of £180,000 to £200,000" (LA Officer)

5.3. The Dominance of the Social Rented Sector

As revealed in Chapter 2, a relatively large proportion of the local housing stock in London NDCs is social rented accommodation. Assuming good relations between the NDC and the local authority and housing associations, this situation can simplify the complexities of undertaking major programmes of redevelopment, allow for more streamline governance arrangements and circumvent the costs and challenges associated with the purchase and demolition of private sector stock. Of course, there are very real challenges involved in working with the diverse populations found in London NDCs, including culturally and ethnically distinct groups and the large number of leaseholders, but the fact that so many local residents share the same landlord can also make the task of communicating with and engaging the local population far simpler. Residents, for their part, can more easily find common cause, given the shared interest of so many as local authority or housing association tenants.

5.4. The Sustainability of NDC Neighbourhoods

The sustainability of NDC neighbourhoods in London was an issue rarely raised by respondents when asked about the future prospects for the area where they live or work. In sharp contrast to the situation to be found in certain other NDCs across England, respondents were confident about the area's future. Such confidence appeared to be founded on assumptions regarding continuing high demand for accommodation across London that would ensure ongoing demand for social rented and owner occupied accommodation within the NDC area. With regard to the social rented sector, respondents also pointed out that the sector plays a very different role in London compared to elsewhere in England, accommodating a far more socially and economically diverse population and still being in demand as a tenure of destination (see Chapter 2).

NDC officers were also confident of their ability to make a real difference to the lives of the existing population, despite the implications for population change inherent in redevelopment plans. The reasons for this optimism appeared to be twofold. First, population change was not reliant on the outward movement of the existing population, the development of homes for sale being made possible by redevelopment of affordable housing at higher densities. As one NDC officer bluntly put it, regeneration does not need to be about "kicking local people out". Second, NDCs emphasised the importance and their ability to foster social, as well as physical, regeneration in their local area. Major redevelopment, for example, was perceived as an opportunity to improve and update community facilities:

“this has given us an opportunity to remodel the community facilities, particularly in an area such as this where there’s controversy around community centres and all the rest of it. What we’re looking at is how do we kind of remodel these centres to leave behind centres that are fit for a purpose, good quality but more importantly, sustainable because at the moment they are bunkers or designed for something else and they’re being used for community services, poor quality and once the funding runs out there’s not much interest in how they’re going to survive.” (NDC Officer)

5.5. Opportunities for Creating Greater Social Mix

NDC Officers and local authority staff tended to regard greater social mix as both an important objective and inevitable consequence of the NDCs housing programme. The importance of increasing social mix was related to the benefits of lifting the economic base of the area for the benefit of new and future residents, rather than assumptions regarding the benefits that might flow from greater social interaction borne out of greater social mix. In one NDC officers talked about the commercial benefits for the area that would stem from the diversification of the population base:

“In a sense you know, it’s an opportunity as well as a threat for the existing businesses, an opportunity in the sense that you’re going to get a lot more people, probably people with a lot more disposable income and there’ll be demand for different kind of services. But the threat is that, you know, the kind of services the future community might want, is not exactly what they’re providing at the moment. ...we’re going to have to provide local services to attract people in the first place, so that includes retail space.” (NDC Officer)

Private sector interests mapped out a similar trajectory for the neighbourhood:

“it will have a strong effect. It will attract new people who have disposable income, who can spend money in the area...it will raise the profile of the area. There will be a substantial change if people are coming in.” (Local Property Valuer)

Respondents talked little about the specifics of how greater social mix would be secured, it apparently being taken for granted that the development of homes for sale would inevitably result in diversification, few current residents being able to afford to enter owner occupation and demand being so high as to make the successful sale of new properties a virtual certainty. In addition, the commitment of central government, the London Assembly, local Boroughs and housing associations to the key worker housing programme was reported to represent another mechanism through which social mix could be promoted, although in some instances it was suggested that this policy had been foisted on NDCs.

3. Implications for Policy

6.1. Introduction

This report has attempted to profile some of the distinctive contextual features facing NDCs in London in seeking to develop and implement their housing programmes. Unique situations, particular challenges and specific opportunities have all been highlighted. This final chapter attempts to draw some key lessons for policy and practice from these findings. Some of the suggestions below represent lessons learnt from the case studies that other NDCs in London will do well to heed, including strategies for overcoming challenges and maximising opportunities. Some are questions that NDCs in London might benefit from reflecting on, while others represent appeals made by NDC officers to the Neighbourhood Renewal Unit for greater assistance tackling the London specific problems they feel the national programme has failed to acknowledge. Underpinning virtually all these points is one issue; funding.

6.2. Community Consultation and Involvement

Community support is vital if NDCs in London are to successfully piece together the portfolio of resources required to support major redevelopment of their area. Failure to secure resident support for one piece of this funding jigsaw (plans for higher density provision on re-build or stock transfer, for example) risks bringing the NDC housing programme to a shuddering halt. Recognising this fact, NDCs might consider following the lead of one NDC and making resident consultation and involvement an explicit strand of work within the NDC's delivery plan, with its own funding stream. As well as consulting with individual and small groups of residents, training and capacity building opportunities might be provided, residents might be trained and employed to engage with other local people and potential community leaders and representatives might be identified in a bid to widen participation beyond the 'usual suspects'. These activities will not mean that resident concerns evaporate away, but will ensure that residents are able to make informed decisions about the way forward for their local area.

6.3. Managing Community Expectations

In London, the substantial sums of money available to NDC neighbourhoods do not stretch as far as elsewhere, given additional cost considerations and the scale and nature of housing problems to be addressed. London NDCs must recognise and relay these realities to local residents. London NDCs that have been more successful in engaging with and maintaining commitment within the local population and moving forward with their housing programme have tended to be those that have emphasised the practical realities facing the NDC in delivering regeneration in the local area. One such example is the success of one NDC in managing leaseholder concerns by addressing head on the realities of what it will and will not be possible to provide for leaseholders in the way of compensation and a return to home ownership following comprehensive redevelopment of the area. Similarly, this same NDC has managed concerns about the process of gentrification likely to stem from freeing up land for development of houses for sale by spelling out the funding realities facing the NDC, the importance of funds generated through the sale of land for the redevelopment of local authority stock in the area and by committing to ensure that all residents who want to remain in the area following redevelopment can do so. As one resident in this case study put it, it is about residents realising that the NDC is "*the only game in town*" and "*if people want new houses this the way we are going to have to go, or we'll carry on living as we are because clearly there aren't any other options*".

6.4. Relations with the Local Authority

It is vital that NDCs develop a good working relationship with their local authority. NDCs are enabling organisations and are reliant for delivery of their housing programme on various partners, of which the local authority is key, often owning and managing much of the local housing stock and having access to major funds (directly or through stock transfer). Factors that appear to help contribute to more positive working relations between NDCs and their local authority include the development of working relations in the very early stages of the NDC programme, the clear articulation of roles and responsibilities, close links at officer level, with local authority staff being seconded to the NDC delivery team, and the objectives of the NDC being closely allied to the wider strategic priorities of the local authority.

6.5. Facing up to Pragmatic Realities

The success of London NDCs in developing and delivering their housing programmes can demand a degree of pragmatism on the part of residents, the local authority and the NDC. Local people, the London Borough and NDC officers will not necessarily want higher densities on newbuild to free up land for high price housing for sale or want to transfer local authority stock to a housing association. Without doing so, however, the NDC housing programme will struggle to finance the full range of interventions deemed necessary:

“The other factor is the pragmatic view that has been forced upon the political intellect in London that says politics and the political ideology are not going to solve this problem, so the pressure of pragmatics was forcing the agenda, as opposed to the political ideology. That is not the case in the North.” (NDC Chief Executive)

6.6. The Importance of Re-development

Is redevelopment essential to London NDCs delivering long-term sustainable regeneration, given the age, condition and quality of the housing stock? The NDC programme represents a major opportunity to restructure and redevelop housing that in 10 or 20 years might otherwise be obsolete, as a consequence of physical deterioration and an increasing mismatch between stock design and household preferences and requirements. Redevelopment raises many headaches, but is the opportunity for a fundamental ‘make-over’ something that these neighbourhoods can afford to let slip by? Some senior NDC officers suggest not, arguing that social regeneration without physical renewal represents a short-term, sticking plaster response to the substantial problems that the London NDC neighbourhoods face.

6.7. Working with Long-Leaseholders

Leaseholder representation and engagement, along with the clear communication of the pragmatic realities and consequences of different decisions are essential to developing effective relations with long-leaseholders and minimising their concerns, worries and opposition to planned interventions. An additional, specific lesson to emerge from the case studies detailed in Chapter 4 is the importance of clarifying the situation and, if needs be, brokering an agreement between the local authority and leaseholders regarding the recharging of long-leaseholders for work undertaken.

6.8. The Role of the Neighbourhood Renewal Unit

Underpinning the more critical observations regarding the Neighbourhood Renewal Unit's role in relation to development and delivery of the housing programmes of the London NDCs was the suggestion of a mismatch between the importance attached to housing by the NRU as a policy domain, particularly in the early days of the NDC programme, and the importance of housing interventions to the renewal plans of NDCs in London. Two broad observations can be drawn out of the many comments received relating to this perceived mismatch.

1. *Support and guidance* - many NDC officers complained that they had been left to struggle with the various problems hindering successful delivery of their housing programme. Some comments were related to specific issues (for example, the legal complexities raised by long-leaseholders), while others were more general:

"NRU has not to date, kind of, issued a guidance note on housing. They've done a number of other areas...six or seven months ago...just produced this kind of reprogramming document which is for all NDCs at this stage to refocus, and that clearly said this does not include housing, there will be a separate document to that. And my question was, like, you know, this is fine, but for me, you know, everything depends on the housing to an extent and, you know, it does leave me in a bit of a kind of difficult position where we haven't got much assistance or guidance from the government." (NDC Officer)

Any guidance will need to be tailored to the distinct housing situation to be found in London NDCs. One approach that the NRU might consider in a bid to spread good practice and to share key lessons learnt might be to broker 'twinning' arrangements between NDCs struggling with particular issues (stock transfer, leaseholder issues, relations with local authority, the levering in of private sector finance) and NDCs that have successfully negotiated these obstacles and challenges. Logistically, this would be a relatively simple programme to administer and would tap into a rich source of practical expertise.

For the good of the neighbourhood and its residents, there might also be a role for Government Office and/or the Neighbourhood Renewal Unit in assisting NDCs struggling to negotiate a way past local authority indifference or intransigence, or arbitrating between local authorities and NDCs in the event of fundamental disagreements that are holding back NDC delivery.

2. *Funding* - funding problems were reported to be having a disproportionate impact on London NDCs because of the costs associated with intervening in the London housing market and the perceived need in many NDCs in the capital to undertake fundamental redevelopment of the local housing stock. Funding levels were often reported to be inadequate, forcing reliance on insecure funding streams that some NDCs had struggled to access, putting their housing programme in jeopardy. Another, more specific, observation concerned the need for greater flexibility within the NRU's accounting regime, with NDCs being free to budget to spend over longer time periods (two or three years), while still being accountable for progress and delivery on an annual basis.

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