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Report

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Neighbourhood renewal, mixed communities and social integration
Anne Power

I FIRST MET Richard Best in 1972 when Chris Holmes (who later became the Director of Shelter) and I were struggling to found the Holloway Tenant Cooperative in Islington. We wanted to provide an alternative to demolition for tenants who wished to stay in the area. We were also seeking an alternative to insecure furnished renting for the incoming families, usually from minority ethnic groups, which were forced to crowd into multi-occupied terraced housing. We needed a housing association prepared to sponsor the cooperative work and sign up to a path-breaking management arrangement between a professionally organised housing charity and a group of disadvantaged residents in the most multiracial part of inner London. We were arguing for community control within a framework of regeneration backed by the powers that be.

Richard was instrumental in securing the support of the Circle 33 Housing Trust, which continues to work with the Holloway Tenant Cooperative today. Our work together since then has involved many dynamic discussions. These have ranged across many policy areas, including open questions as to whether cities are ‘dying’ or ‘reviving’; still an unresolved issue at the turn of the millennium. We have also, as a consequence of delays to the Joseph Rowntree Foundation’s (JRF’s) proposed Derwenthorpe development in York, been moved to weigh the merits of conserving great crested newts against the creation of much-needed homes for people!

Richard’s unique contribution to the world of urban neighbourhoods and renewal lies in a combination of community understanding, housing management experience, a commitment to greater equality and a belief in social integration. In recent years, our work for the Independent Housing Commission into the Future of Council Housing in Birmingham, led us to conclude that England’s second city, with the largest council stock in the country and many decayed estates, was well placed to adopt community-based housing options. Sadly our proposals for more diverse and mixed
solutions to the legacy of council housing were eventually put on ice by the authority (Independent Commission of Inquiry into the Future of Council Housing in Birmingham, 2003) following a change of control in May 2004.

But, meanwhile, support from JRF has enabled me and colleagues at the London School of Economics and Political Science (LSE) to embark on an exciting new programme about Weak Market Cities across Europe and the US (http://sticerd.lse.ac.uk/case/research/weakmarketcities/default.asp). Extending the search for underlying causes that lies at the heart of Richard’s and the Foundation’s approach, we are seeking to understand what happens to cities experiencing the harsh economic shock of de-industrialisation and how they recover through the emergence of new urban dynamism.

Old and new challenges in low-income neighbourhoods

This chapter draws on several long-running studies about low-income areas and their prospects. For the past eight years, the Centre for Analysis of Social Exclusion (CASE) at the LSE has been tracking 12 highly disadvantaged areas, representing different types of deprived neighbourhoods across the country. The government’s Neighbourhood Renewal Unit is trying to help in the recovery of up to 3,000 such areas, and our work feeds directly into this process. It has been our task to see what is happening to policy on the ground (Lupton, 2003).

We have conducted a parallel eight-year study, tracking the lives of 200 families in four of the 12 areas, two in East London and two in Northern cities. These families are living in some of the most difficult conditions anywhere in Britain. We have been trying to establish just what impact neighbourhood conditions have on families and children (Mumford and Power, 2003). We argue that families should be able to survive and flourish in these neighbourhoods as a litmus test of the ‘humane city’. Our findings, soon to appear in a book entitled City survivors (Power, 2007: forthcoming), show just how tough it can be.
We have also, from 1980 to 2005, tracked 20 of the most ‘unpopular’ estates in the country. This study began under a Conservative government when awareness was emerging of the immense problems of ‘difficult-to-let’ council estates (Power, 1987). We revisited the estates in 1987, in 1995 and, again, in 2005. JRF funded the last two rounds of this work, showing that the estates have greatly improved over a generation of concerted effort, albeit within a context of decline in the status of council housing (Power and Tunstall, 1995; Tunstall and Coulter, 2006). Most are no longer entirely council owned. We have also carried out research, since 1987, on high-poverty estates in five European countries, comparing and contrasting approaches to policy, management and regeneration. This work, including the 1997 publication Estates on the edge (Power, 1993, 1997) has, in turn, informed the latest JRF-funded programme on Weak Market Cities.

A fourth major strand of work has examined those areas in the North where, in contrast to the South of England, demand for housing is low. Starting in 1997, we tracked four neighbourhoods, two in Newcastle and two in Manchester, describing the extreme decline and semi-abandonment we found, and revealing pockets of intense deprivation and social disorder (Power and Mumford, 1999; Mumford and Power, 2003). We searched for the roots of these problems in the communities that seemed to have lost their purpose, leaving young people stranded with no apparent future (Tunstall and Power, 1997). Since then, we have followed up low-demand areas through the government’s Housing Market Renewal Pathfinder programme. Over the past few years, conditions have changed rapidly and there is now some evidence of real market renewal. There are about 40 community groups across the North and the Midlands fighting against plans to demolish their ‘officially devalued’ communities, on the grounds that house prices have risen, people are moving in, and many residents want to stay. Our firm conclusion is that with equal treatment of refurbishment and demolition, their communities could recover (ODPM, 2006a).

The other great, contemporary housing challenge facing Britain is, of course, the intensifying need for affordable housing in the
booming South East. Over the past three years we have carried out work in the Thames Gateway on the east side of London, looking at housing needs, demand and the potential for creating more socially mixed communities. In a sea of intense racial and income polarisation, we have proposed a framework for new housing within the existing built-up structure of the Thames Gateway as a way of regenerating the low-income neighbourhoods that already exist. We have demonstrated how higher-density developments, as well as more compact and mixed developments, could help meet the predicted housing needs of the future, without creating unsustainable communities that sprawl across an unsustainable floodplain in the Thames Estuary (Power et al, 2004).

Introducing mixed communities
The rest of this chapter focuses on the value of mixed communities and how they can be created through neighbourhood renewal. ‘Mixed communities’ are talked about in so many different ways that an agreed definition has remained elusive. It helps to start with what they are not. Thus, the main type of neighbourhood that mixed communities are designed to counter is socially isolated housing with poor environmental conditions. A mixed community implies not just mixed uses and services and the opposite of a monofunctional housing estate; it also implies mixed tenure to include owner-occupation, private renting, housing associations and sometimes council housing. In order to ensure a variety of housing types and income groups, a mixed tenure housing area will include people in work, and will attract people from diverse social backgrounds, incomes and ages. Efforts should be made to include people from different ethnic backgrounds. It is also important for mixed-income communities to offer a mixture of styles, sizes of homes and types of building with diverse spaces and functions. It will not just comprise streets and gardens, but also courtyards, shared gardens, patios and balconies within blocks of flats; parks, play areas, clusters of shops and cafes, places where people can meet. The Urban Task Force, led by Lord Richard Rogers at the turn of the century, made an eloquent
case for the merits of this type of neighbourhood renewal (Rogers and Power, 2000).

There are many different ways of putting together these different facets of mixed communities. Certainly the present Labour government’s embrace of mixed communities implies better, more stable, more attractive places with a working population, preventing the social isolation of ghettos. If better-off people in work can be attracted to neighbourhoods that are improving, then the theory goes that people who already live there will welcome the change because it brings benefits to them – a form of ‘low-level gentrification’. However if ‘mixed communities’ are taken to mean the creation of more new-build schemes that are liable to draw away more ambitious households from disadvantaged neighbourhoods, there is a risk that poorer families will be stranded and some ethnic groups will be left behind. It follows that the tasks of building and integrating new homes and upgrading existing homes need to go hand in hand within neighbourhoods in need of renewal (Power, A. in Bill, 2005).

**Critical issues**

In well-planned mixed communities, residents in work who like the area will support local services and help create ‘neighbourhood magnets’ that people come to recognise and value. These are points of attraction that draw people in and hold people together. They include facilities like a local bus stop, shops, a well cared-for park, small supervised local play areas, a doctor’s surgery and all the other types of public place that people need to help them feel at home in their area, and not alone. Isolation in lonely households is becoming a bigger problem as we splinter into smaller and smaller social units.

Proximity and interconnectedness, meanwhile, link to another crucial but controversial topic: density. Mixed neighbourhoods must have a critical mass of people to support neighbourhood magnets and keep them working. Given the shrinkage of household size from four people per household just half a century ago to just over two per household, a community requires nearly twice the number of households to be viable, otherwise it is simply impossible to keep the
local shop or bus going. This means a *minimum* density of 50 homes per hectare. Cornish traditional villages, Victorian semi-detached houses, and other popular forms are built at this density and it is part of their appeal. They are not crowded, but in harmony with each other and their surroundings (Power, 2004).

A third critical issue is mixed income. It is easier and more sensible to think of mixed communities as housing people with overlapping bands of income rather than supposing that mixed communities should somehow combine the most extreme luxury with extreme concentrations of deprivation in subsidised social housing. Unfortunately, there are some recent examples in London of developments where the social housing is of vastly inferior quality and has been placed on the edge of the development. Developers have been permitted to meet their obligations under planning agreements by building very high density luxury flats completely segregated from the social housing in their supposedly ‘mixed’ community. But there are also more promising examples of mixed developments, like the Greenwich Millennium Village, where the social housing is of as high a quality as the rest and more integrated (Silverman et al, 2006).

**Historic and continuing barriers**

Logic tells us that we should try and make existing communities more mixed. To do this we ought to make them more attractive and modernise them to incorporate the features we have set out. Yet, if we need to build more homes in high demand parts of the country, we should also be seeking to use spaces available within existing communities to integrate them into the existing urban frame, and to strengthen and upgrade existing services and conditions. Capacity studies show there are small infill sites scattered all over our inner cities and towns, including London, in need of attractive recycling to strengthen our decayed urban structures and provide much needed affordable housing (London Development Research, 2005).

But there are still many barriers to the development of mixed communities within existing housing structures. Among the most important:
• High-demand housing areas create an affordability problem for poor people. They cannot gain access to market-cost homes without accepting crowded, low-quality living conditions. Consequently, publicly subsidised social housing has to be carefully targeted to the people in greatest need. This inevitably generates both polarisation by income and resentment among those who cannot get in. It can also lead to greater ethnic separation (Dench et al, 2006).

• In low-demand areas there is a problem of over-supply and a constant exodus of people from seriously declining areas, creating another kind of marginal neighbourhood. This literally drives up demand for more and better quality housing outside the existing built-up area because people try to leave declining areas. Neighbourhood decline thus directly drives sprawl building and polarisation (Power and Mumford, 1999).

Under both these scenarios, neighbourhood conditions decline. Unattractive neighbourhoods send out a negative signal through their environmental conditions, persuading owners that it is better to leave than to invest in the area. Thus, run-down neighbourhoods and low-demand housing fuel each other in a constant spiral even in high-demand regions, if social problems abound. Importantly, this helps to explain why such estates are at least as common in high-pressure London as they are in low-pressure Northern cities.

All homes deteriorate year by year bit by bit – and the same applies to neighbourhoods. Over time there is a need to reinvest in both. ‘Wear and tear’ feeds into the problem of declining neighbourhoods and in turn helps create low demand (Power, 2006). Unless we adopt a continuous process of neighbourhood renewal, backed by reinvestment incentives, existing communities will continue to polarise and new, supposedly ‘mixed’ communities will draw out the more fortunate and more ambitious. Yet we spend very little on major improvement of our existing stock despite long experience that it is considerably cheaper than new build.

Low-income owner-occupiers, including many older people, find it difficult to afford necessary investment in their properties without
financial assistance. The VAT charged on virtually all repairs and improvements creates a further barrier to reinvestment. This tax of 17.5 per cent on work to existing homes contrasts sharply with the indirect subsidy to new build. This is not only VAT exempt but also receives new infrastructure, effectively free of charge, courtesy of the Treasury. The Treasury does not know how to reduce the perverse incentives that VAT on repairs creates, while retaining the large revenues it generates. One suggestion is to reduce VAT to 5 per cent in regeneration and neighbourhood renewal areas. This seems a goal worth pursuing since it would, practically overnight, generate inward investment in homes, attract inward movers and create more mixed communities (Urban Splash, Chimney Pot Park and New Islington schemes, 2006).

Since ownership is still seen as a higher status tenure than renting, extending owner-occupation has been seen as one way to ‘upgrade’ neighbourhoods and create more mixed communities. Yet this rather ignores that fact that most people, at some time in their lives, need to rent their homes. Progress in tackling current housing shortages requires a more even playing field between owning and renting, with a greater acceptance of the role of private renting in housing people of all incomes at different stages of their life. Students take this for granted and accept sharing and lower quality for a few years on grounds of cost, lifestyle and independence. Encouraging more ad hoc renting is one way of ensuring more and cheaper housing as well as aiding access. The Germans do this well; sadly we in Britain do not.

Meanwhile, the biggest single barrier preventing 20th-century housing from being turned into more attractive, more mixed communities is the ‘estate’. Estates have been built as monolithic dormitory areas for particular types of people. Private estates are for families in work; council estates for lower-income, working-class families – and increasingly for the most marginal households, particularly those out of work, newcomers and lone parents. Estates are difficult structures within which to create mixed communities, and the larger they are, the more difficult it becomes. Yet many new developments are being built precisely in this form whether private or social. Calling them ‘mixed communities’ won’t overcome this
problem. Until we adopt a more fine-grained, small-scale, ‘infill’ approach to new building, we will neither succeed in the goal of creating more mixed communities, nor will we revalue and renew existing communities (Urban Task Force, 2005).

One major consequence of neighbourhood decline is the extreme unmanageability of the problems that have accrued in particular areas, creating an almost insuperable barrier to mixed communities. The most deprived council estates, and to a lesser extent, the most run-down private housing areas, have come to experience such intense problems with crime, drugs, poverty and anti-social behaviour that it is hard to see how the physical place can survive the levels of social disorder. This disorder is, in turn, a huge driver of people leaving cities and leaving council housing; likewise of the intense polarisation we see in the poorest areas. Yet even in these extreme circumstances it can still make sense to argue in favour of neighbourhood renewal and integrating new developments within existing communities. A combination of multiple, small efforts sustained in these neighbourhoods over many years could, at a time of increasing land pressures and rapid growth in smaller households, enable the problem to correct itself (Paskell and Power, 2005).

**Neighbourhood renewal now and in future**

Neighbourhood renewal is of continuing, pivotal importance both for the recovery of cities and for the sustainability of our small crowded country. It is also the only obvious way to meet our expanding housing demand while maintaining social cohesion in the face of acute shortages, high prices and growing physical polarisation. Consensus on the need for renewal has existed and survived several changes of government for more than 30 years. However, the approaches favoured by different policy makers have gone through various upheavals. It wasn’t until 1997 with the ‘New Labour’ government that a decisive stamp was put on this issue under the title of *Bringing Britain together*, a landmark report by the newly formed Social Exclusion Unit (1998). The case made continues to ring true for many reasons. Among the most significant:
• England is a heavily built-up country with 60 per cent of the population in large cities and at least 25 per cent of the rest in urban settlements of one kind or another. The vast majority live in homes that are already built and in need of constant upgrading. About 70 per cent of the total stock requires significant reinvestment, yet, as already mentioned, the incentives for doing this are low and the barriers are high.

• Even after 25 years of the ‘Right to Buy’ we still have a large legacy of council-built estates, about 10,000 in all. Councils still own around three million properties in England and Wales with many more in Scotland and Northern Ireland. It is a huge problem for public authorities to maintain and improve this stock, create mixed communities and house the people most in need of low-cost affordable housing. Nevertheless, our long-running research project for JRF on 20 unpopular estates shows how council estates can be renewed through intensive hands-on management, community involvement and a shake-up in ownership.

• The general decline of neighbourhoods is generated not just by disincentives to reinvest in our homes, but also by a withdrawal of street supervision, the decay of street infrastructure and the poor maintenance of urban parks, open spaces and play areas. In general we have allowed urban areas to become traffic prone, run-down and generally unfriendly to children and families. These environmental signals generate high levels of fear in communities, as recent police research indicated. The fear may be harder to combat than the real risk of trouble.

• There is a serious problem around community cohesion and ethnic polarisation. The minority ethnic population has expanded numerically and proportionately far more rapidly than the white population and the areas of original minority ethnic concentration have greatly expanded. This has generated fears of accelerating residential separation and certainly school separation (Power and Lupton, 2004). Many white families are leaving London in search of better schools and better social conditions. As a result large numbers of inner London and particularly east London schools have become overwhelmingly minority schools. This will not
build cohesion in future generations. This problem also occurs in Birmingham, Bradford and other places.

- All building activity creates environmental impact cumulatively over time. Ecological chains can be disrupted that then have serious consequences for the survival of future generations. This carelessness of the future in the face of today’s pressing needs cannot be sustained for much longer. While many naturalists worry about the loss of bio-diversity, JRF’s proposed development of exemplary, sustainable new homes on the outskirts of York (for more information on the Derwenthorpe development, see Sturge, this volume) is in local conflict with the survival of the great crested newt. The symbolism of this conflict could be replicated all over the country. Government, scientists, planners, builders, insurers and communities are genuinely worried about – to name but a few – the threat of floods, erosion, building on the Green Belt, water stress, power supplies, road building, traffic congestion, infrastructure costs, the development impact of over-growth, the distress of urban decline and the blanket impact of new housing. All of these issues drive the neighbourhood renewal agenda.

**Finding the way out**

Despite all the barriers and concerns, there is a way out – as evidenced by some striking findings from our recent research studies. To take some key examples:

- The 20 difficult council estates that we have tracked since 1980 are now in very different shape from when we started. All of them have diversified their ownership and management structures, although the vast majority are still predominantly council-owned or socially rented. Owner-occupation has risen although it is still under 20 per cent on average. All estates now foster the Right to Buy. Selective demolition has made way for new-build housing association property. Their overall condition has improved through diversification, investment and close attention to detail. However, as management is diluted because the estates have become more ‘normal’, it will be critical to continue the process of reintegration,
mixing and diversification (Tunstall and Coulter, 2006). Most of the areas are still predominantly low-income rented housing areas.

- *Programmes to tackle low demand* have begun to show real progress but not in the way that government expected or planned. To any objective observer market conditions are radically different from seven years ago when we conducted our study on the *Slow death of great cities* (Power and Mumford, 1999). House prices are now up to ten times higher in the market renewal areas than they were, more in some areas. People are buying into extremely rundown, old terraced housing areas because they want to live there. Community groups all over the North have sprung up to oppose the demolition of very poor areas, precisely because they and incomers value the homes and communities near to city centres with a heritage atmosphere, and many traditional residents want to stay for all these reasons (Beck, 2005). Government policy shifts slowly and some officials still make the case for ongoing large-scale clearance on the grounds of obsolescence. These arguments are no longer borne out by evidence from the ground. It is to be anticipated that the housing market renewal programme will gradually transform itself into a pro-city, pro-neighbourhood renewal agenda.

- *The cities agenda* has risen up the ladder. This has been partly under the aegis of environmental constraints on new building, partly due to the changing shape of the economy, and partly under the beneficial impact of neighbourhood renewal. The example of London is particularly enlightening. Thirty years ago the capital was losing population faster than any other city in the country. It was blighted by slum clearance programmes more than any other city in the country. It was also under greater threat of disorder and ethnic polarisation than anywhere else. Yet thanks to a combination of land constraints, a strict Green Belt policy restricting expansion, the sheer size of the city, and the return of dynamism to the city centre and its economy, these problems have faded even if they have not gone away altogether. Within inner London, the renewal of older terraced property, the diversity of
ethnic minority communities and the mix of available housing tenures are now considered assets rather than liabilities. London’s experience will not easily transfer to other major cities in the country, but it is hard to escape the lessons that the capital offers.

Parallel, if not identical, processes are now underway in other cities. There are signs, highlighted in the government’s recent *State of the cities* report, that urban renewal is taking root more widely (ODPM, 2006b). Exciting examples include East Manchester; the Dingle and Vauxhall areas of Liverpool; the Jewellery Quarter and eastern regeneration in Birmingham; the Ouseburn and Grainger Town in Newcastle; and the Clydeside revival in Glasgow. These undisputed examples of renewal drive the rebirth of mixed communities elsewhere within cities.

- **Producing an affordable housing supply**, renovating existing homes, and holding on to families within the city’s limits remain among the biggest challenges. But bit by bit this is happening. The Thames Gateway provides examples of some of the slightly unexpected ways in which this can be achieved. While the government has been promoting large-scale, new mixed communities on huge brownfield sites, the Mayor of London and relevant boroughs have been persuading smaller developers to build on the myriad small sites within London’s deprived and decayed East End. Preparations for the Olympic Games in 2012 have helped to galvanise new thinking about the needs of existing communities, the threat of displacement and the potential for ethnic conflict if we fail to focus on regenerating areas that already exist.

- **Neighbourhood management and community safety** have become big issues as central and local government struggle to come up with simple, affordable, deliverable ideas to tackle long-term problems of neighbourhood renewal and mixed communities. More front-line focus, more face-to-face contact and more family-friendly neighbourhood conditions lead us back to the same place: namely, more integrated, cohesive and harmonious neighbourhoods.
To make neighbourhoods work, to renew communities and to protect the environment, which is patently under increasing stress, we have to treat with care the people and the places that are most vulnerable. So if we do renew low-income neighbourhoods, this will back up into the mainstream of urban society. As Jane Jacobs argued in *The economy of cities* (1987), it is the people at the base of a hierarchy, struggling with the most live and acute problems, who have the strongest motivation to find solutions that work. Neighbourhood management is one such solution. Invented by pioneering rule-breakers who were posted out to the worst estates in the early 1980s, it is obvious, ‘do-able’ and affordable. It can help everyone in urban areas enjoy more peaceful, more orderly, more productive and more harmonious conditions. This will, of itself, lead to more homes in more mixed communities.

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