No Place Left Behind

CREATE streets foundation

The Commission into Prosperity and Community Placemaking

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Thank you to the APPG for Left Behind Neighbourhoods for kindly sponsoring the launch event.

Contents.

The Commission 6

Exec Summary 10

Policy proposals 12

Chapter 1. 16

Levelling up left behind places

Chapter 2. 34

The importance of place
- Case study: Hastings Commons
- Case study: Arches Local, Chatham
- Case study: Ambition Lawrence Weston, Bristol

Chapter 3. 78

Recreating town and neighbourhood centres
- Case study: Great Yarmouth Preservation Trust
- Case study: Midsteeple Quarter, Dumfries
- Case study: Urban Hax, Walsall

Chapter 4. 124

The value of community regeneration
- Case study: Highfields Centre, Leicester
- Case study: Good Things Collective, Morecambe
- Case study: Onion Collective, Watchet

Chapter 5. 172

Renewing homes and neighbourhoods
- Case study: Back on the Map, Sunderland
- Case study: Giroscope, Hull
- Case study: York Hill, Spennymore
- Case study: Cleadon Park, South Shields

Chapter 6. 222

Institutions and investment
- Case study: The Wigan Deal
- Case study: Acts of Random Caring, Wolverhampton
- Case study: Chapeltown Cohousing, Leeds

Appendix. 264

Conclusion: No place left behind

Appendix: Call for evidence responses

Acknowledgements

Left behind neighbourhoods need… street-by-street investment and targeted intervention to… tackle problematic owners and bring homes up to standard.

No Place Left Behind

The Commission

The Commission into Prosperity and Community Placemaking was convened in June 2020 by the Create Streets Foundation, to draw together case studies, evidence and policy analysis into a report making detailed recommendations for government and other players. It seeks to:

- improve the physical, social and environmental fabric of places that may not be able to generate large amounts of financial value from development;
- improve the prosperity and wellbeing of residents; and
- influence broader debates around urban regeneration, asset transfer, community-led housing, and community empowerment, by making proposals for government, local government, landowners, investors and third sector bodies.

The Commission was conceived as a diverse range of experts and practitioners from across the spectrum of community development, policy formulation, design, development, business, politics and civil society, with the following aims and purpose.

Terms of Reference
Purpose

The purpose of the Commission into Prosperity and Community Placemaking is to help improve the quality of lives lived in under-valued neighbourhoods, by promoting policies and practices that can improve place, health, happiness, wellbeing and a sense of community and agency.

The Commission's focus is on approaches that can empower local communities, such as community led housing and asset ownership, community business/locally-led enterprising, co-operative action, better planning, regenerative development, design and stewardship.
The Commission has gathered evidence from the public, private and voluntary sectors to develop practical policy solutions and best practice recommendations for improving life in under-valued neighbourhoods.
The Commission is necessarily working in the unique policy environment created by the political upheavals of recent years and months and the Coronavirus pandemic. In this context, it seeks to contribute positively to policy debates on both the response to the current crisis and the longer term challenge of rebalancing the economy and national political life.

Aims

- **To gather evidence.** The Commission will gather evidence to understand the scale and nature of the challenges facing under-valued neighbourhoods, and identify opportunities to tackle these.

- **To develop workable ideas** to support place, health, happiness, wellbeing and a sense of community in under-valued neighbourhoods. The Commission will challenge current practices, policies and behaviours to develop pragmatic solutions to the challenges identified.

- **To advocate** for steps to improve place, health, happiness, wellbeing and a sense of community in under-valued neighbourhoods. The Commission will act as a champion and advocate for better placemaking, community-led housing and stewardship.

- **To inform** central, regional and local government policy and spending decisions. The Commission will seek to steer public investment decisions towards effective, empowering interventions.

- **To influence** government agencies, landowners, housing associations, local planning authorities, community-led housing groups, charitable donors and others involved in shaping local places.
The Commission will tailor communication of its findings and proposed solutions to suit multiple audiences in order to build wide consensus on positive strategies for regenerative development.

Commissioners

Toby Lloyd is the Chair of the Commission. He was Shelter's Head of Policy for seven years, and was the Prime Minister's Special Adviser on housing and local government 2018-19.

Vidhya Alakeson is the founding Chief Executive of Power to Change, an independent trust established in 2015 to support the growth of community businesses across England.

Dave Boyle is a consultant specialising in helping community groups raise patient equity capital and has worked with over 50 groups, helping them raise £13M.

Nicholas Boys Smith is founding Director of Create Streets, a think tank and consultancy leading or supporting many urban design and community co-design projects.

Stephen Brien is Director of Policy at the Legatum Institute, a thinktank researching the pathways to lifting all people out of poverty.

Nicky Chance-Thompson is CEO of the Piece Hall in Halifax.

Kathryn Eames has 15 years' experience working in local government in regeneration and development, with particular expertise in community engagement.

Miatta Fahnbulleh is Chief Executive of the New Economics Foundation. She has a wealth of experience in developing and delivering policy to empower communities.

Paul Fiddaman is Chief Executive of Karbon Homes.

Caroline Gore-Booth is Project Manager at Giroscope, a self-help housing project based in Hull.

Matt Leach is the CEO of place-based funder Local Trust.

Jennifer McKevitt is Chief Executive of Back on the Map, a community business with £4.7M of residential, commercial and land assets in Hendon, Sunderland.

Melissa Mean is Director of We Can Make at Knowle West Media Centre in Bristol, focused on developing new kinds of citizen-led housing.

Rachael Orr is the Director of PlaceShapers, the network for more than 100 community-based social landlords.

Mary Parsons is Chair of the Town; Country Planning Association and Regeneration and Partnerships Director at Lovell Partnerships.

Andy Reeve is Director of Regenerative Economics at Civic Square, a research lab focusing on building and investing in civic infrastructure.

Andre Reid is the founder of Kiondo, a design research studio aiding developers, local authorities and social organisations to design with communities.

Gareth Swarbrick is Chief Executive of Rochdale Boroughwide Housing. He led the transformation of RBH from local authority owned ALMO into the UK's first tenant and employee owned mutual social landlord.

The production of this report has been a collective effort and where possible reflects the broad consensus of the Commissioners. However not every Commissioner agrees with every single word or proposal.

Project team

Rose Grayston is Senior Programme Manager for Housing at the New Economics Foundation, and has 10 years of experience in providing research, policy and communications services to progressive campaigns and their leaders.

Catherine Harrington is the former founder and CEO of the National CLT Network and has over 17 years experience in advocacy campaigning and housing and regeneration policy and practice.

Lauren Lawson is Project Manager and Urban Designer at Create Streets Foundation. She works with neighbourhood groups across the UK to help enable them to create positive place-based change.

We would also like to thank the following for their support and contributions to the research:

Maddalena Iovene, Robert Kwolek, David Milner, Constance de Montigny, Lydia Ogden, George Payiatis, Hugo Owen and **John Spence** at Create Streets
Ailbhe McNabola, Jenny Sansom and Rose Seagrief at Power to Change
Margaret Bolton, Georgie Burr, Dan Crowe and **Rayhan Haque** at Local Trust
Andy Coulthard at Livin and **Alex Chapman** at NEF'

Executive Summary

Levelling up our left behind places

England has been scarred by geographic imbalances for far too long. As we explore in chapter 1, 'left behind places' are not just products of economic decline or income inequality. The sorry fact that far too many places feel left behind is also a legacy of post-war urban design, poor planning, centralised decision-making and under-investment in the social infrastructure that is so vital to local communities. To replace spirals of neighbourhood decline with a virtuous circle of wellbeing and prosperity, we have to invest in the physical fabric of local places and the social fabric of local communities – and trust communities themselves to lead it.

We welcome the government's commitment to levelling up, but top-down investment must not focus on expensive heavy infrastructure rather than in catalysing bottom-up improvements to local places. We are convinced that neighbourhoods should normally come first and that government funding should be more about empowering than imposing.

Connecting our communities, greening our towns and taking back our streets

Places matter. Many need to go on a road diet. Lockdown has shown us all the value of green and pleasant places, but too many of our cities, towns and villages suffer from fast, noisy roads, run down public spaces, unreliable public transport and decaying buildings. We need to reconnect communities, liberate movement, and replace dual carriageways with tree-lined boulevards, tramlines and green space. Parks, not car parks, are an essential ingredient of social and economic success, yet 8.7 million people live more than ten minutes walk from a local park, including more than 250,000 in the most left behind wards in the country.

Left behind places need trees, trams and tricycles to create prosperous, child-friendly environments. In chapter 2 we explore ways to improve the lived experience of left behind places. We call for a revolution in place quality and local transport connectivity, with better bus services and new trams connecting towns, suburbs and villages, and the legalisation of e-scooters.

Thriving places need hubs, hearts and high streets

Town and neighbourhood centres matter. They are vital for prosperous community life and the identity of places; but many town centres have been hit hard by economic change, the decline of mid-twentieth century retail and the impacts of covid. The future of the traditional high street is on a knife edge: it must reinvent itself or face terminal decline.

Left behind towns need the tools to remake the high street. We devote chapter 3 to interventions aimed at reinventing town centres to be thriving hubs of community, cultural and commercial life. We call for urgent support for the independent businesses that give places their distinctive character; a revolving asset fund to transition vacant commercial property into beneficial uses quickly, and smarter planning policies aimed at diversifying high streets, to be delivered using a new model of locally-accountable Community Improvement Districts.

Giving communities the Right to Buy and the power to regenerate their towns

Social infrastructure matters. Who owns it – and who decides – matters. People in left behind places report that what their areas need most are places for people to meet. The loss of social facilities like community centres, libraries and pubs is keenly felt, and when the college or the last health centre close it can be a potent symbol and driver of decline. Where neither the market nor the state seem able to provide these essential assets, communities have started to do so themselves. But too often the incentives of public authorities and private property owners are not aligned with communities' interests, leaving property empty and heritage buildings neglected.

Left behind communities need the powers and resources to take control of their assets. In chapter 4 we show the economic value of community regeneration and identify levelling up as a unique opportunity to scale up community ownership. We call for the government to complete the task begun with the Localism Act of 2011 and create a Community Right to Buy, matched with real resources. To tackle the 'farming of dereliction' we call for the proposed Right to Regenerate to enable communities to acquire empty property at a fair value.

Neighbourhoods first: renewing homes place by place

Homes and neighbourhoods matter. Many left behind places are marked by aging and poor-quality housing stock. The challenge of retrofitting the nation's homes to the net zero carbon standard by 2050 is most daunting in these places, where values are low and owners have little incentive or ability to invest in improvements.

Left behind neighbourhoods need street-by-street investment to bring homes up to standard. In chapter 5 we call for Neighbourhood Improvement Districts: an ambitious programme of area-wide home retrofitting that can raise the overall value of left behind places and recoup the initial investment. We call for the social housing decarbonisation fund to be brought forward, to kickstart the supply chains needed to retrofit the nation's homes. We highlight the success of housing association and community-led regeneration projects and call for more support for these approaches.

Institutions and investment are the building blocks of local transformation

Resources and the ecosystem of local institutions matter. Successful places benefit from a rich infrastructure of public, private and community organisations. In chapter 6 we explore how investment can be better deployed to develop the local ecosystems that can catalyse sustained regeneration

Levelling up the country needs government to trust communities with flexible, long-term funding. While we welcome the resources committed already, we call on government to replace short-term, competitive funding pots run from Whitehall with longer-term, needs-based funding that will give local government and communities the confidence to embark on bold regeneration plans.

Extraordinary times demand extraordinary responses. The pandemic, the climate emergency and near-zero interest rates are sufficiently unique to justify a one-off transfer of local government debt onto the national balance sheet, liberating councils to invest in their places, economies and communities. We also call for a £2bn Community Wealth Fund, to build on Big Local's success in supporting the most left behind places develop their own solutions.

This report is the product of a year of evidence gathering and discussion with experts and grassroots community activists from around the country. We hope it can contribute towards a deeper understanding of what levelling up our left behind places should mean, and how to achieve it, so that no place is left behind.

Policy proposals

Chapter 2: The Importance of Place

1. Put urban areas on a street diet and create safer streets

- Policy proposal i: repurpose the existing roads budget to include reducing or removing urban motorways and dual carriageways, to create boulevards, linear parks and public spaces
- Policy proposal ii: make a 20 mph speed limit the standard for urban areas
- Policy proposal iii: update highways policy to create better, safer streets
- Policy proposal iv: include health, pollution and wellbeing indicators in the KPIs of council chief executives, highways, planning, and housing teams

2. Plant trees and clean the air

- Policy proposal v: extend and simplify the Urban Tree Challenge Fund to increase canopy cover by 10 per cent by 2025
- Policy proposal vi: ensure levelling up programmes and funds include support for micro interventions with appropriately minimal bureaucratic requirements
- Policy proposal vii: provide and steward high quality parks and green spaces

3. Connect communities

- Policy proposal viii: replace out-dated 'predict and provide' transport planning models with those that support better place making and sustainable mobility throughout planning, development and regeneration processes
- Policy proposal ix: commit to providing light rapid transit systems for all cities and larger towns in England
- Policy proposal x: review the regulations on utilities and HMT rules on procurement to significantly lower the costs of new tram systems
- Policy proposal xi: prioritise R&D and transport innovation funding on relatively low tech transport systems for connecting towns and suburbs
- Policy proposal xii: commit to delivering a comprehensive national bus network, connecting every neighbourhood with regular and reliable services, at a flat £1 fare
- Policy proposal xiii: ensure levelling up funds are sufficiently flexible to allow proper integration of investment in street improvements, transport facilities and wider regeneration

4. Liberate movement

- Policy proposal xiv: fulfil the Prime Minister's promises to launch Active Travel England by the end of 2021, and give it the full £5bn budget required to meet the objectives of the government's Gear Change strategy.
- Policy proposal xv: legalise the use of private e-scooters on public roads.
- Policy proposal xvi: deliver on the promise to establish a national e-bike support programme of 'loans, subsides or other financial incentives'
- Policy proposal xvii: offer freedom passes to jobseekers in all areas eligible for levelling up funding.

Chapter 3: Recreating town and neighbourhood centres

1. Revive town centre commerce and activity beyond the pandemic by supporting independent stores and rescuing lost assets

- Policy proposal i: convert Bounce Back Loans to independent high street businesses to grants
- Policy proposal ii: create a town centre asset rescue fund
- Policy proposal iii: reform and simplify business rates

2. Support the community high street by creating Community Improvement Districts and public sector co-location

- Policy proposal iv: create Community Improvement Districts for town centres in left behind places
- Policy proposal v: high street renewal should include co-locating public services in community hubs

3. Ensure planning, development and property ownership supports regeneration rather than preventing it

- Policy proposal vi: strengthen national planning policy support for 'town centre first' policies, keep the new use classes under review, and allow councils to use Article 4 opt-outs from PDRs as part of comprehensive town centre regeneration plans
- Policy proposal vii: permit place-enhancing changes of use
- Policy proposal viii: ensure leasehold reform does not undermine the viability of mixed use regeneration

Chapter 4: The value of community regeneration

1. Support community asset acquisition

- Policy proposal i: create a genuine Community Right to Buy registered Assets of Community Value, at an independently assessed fair value
- Policy proposal ii: update law and guidance on best consideration to encourage more Community Asset Transfer from public authorities and charities at prices reflecting social value
- Policy proposal iii: expand the Community Ownership Fund to at least £250m and make the criteria for future bidding rounds more flexible
- Policy proposal iv: extend and reform Social Investment Tax Relief to enable much greater use of private capital for community asset acquisition.

2. Put community asset ownership of a sustainable footing

- Policy proposal v: allow national funding streams to provide more revenue funding and capacity support for local and community projects
- Policy proposal vi: create a public register of community assets to support their legal protection
- Policy proposal vii: encourage more collaboration between property owners and community organisations

3. Empower communities to tackle dereliction and neglectful ownership

- Policy proposal viii: deliver on commitments to full transparency of property ownership

Policy proposals

- Policy proposal ix: extend the proposed Right to Regenerate to allow councils to require improvement to eyesore buildings and tackle speculative dereliction, and give communities the right of first refusal to acquire derelict public land and buildings
- Policy proposal x: reform compulsory purchase law to enable more strategic plan-making and land acquisition in and around towns, and to prevent speculative pressures from undermining regeneration

Chapter 5: Renewing homes and neighbourhoods

1. Kickstart decarbonisation of the nation's homes by retrofitting the social housing stock

- Policy proposal i: launch the £3.8bn Social Housing Decarbonisation Fund immediately
- Policy proposal ii: grant greater flexibility in the use of the Recycled Capital Grant Fund for retrofitting works

2. Launch a national programme of neighbourhood retrofitting in parallel with social housing decarbonisation

- Policy proposal iii: reshape the next phase of the ECO scheme to support area-wide retrofits for owner occupied housing, alongside social housing retrofitting plans and focusing on left behind places first
- Policy proposal iv: cut VAT to zero on both the labour and materials elements of core improvements to existing homes, in line with the treatment of new build development
- Policy proposal v: reboot Homes England to be a driving force for regenerating left behind neighbourhoods and decarbonising the housing stock

3. Create Neighbourhood Improvement Districts to secure area-wide housing improvements across all tenures

- Policy proposal vi: create Neighbourhood Improvement Districts, analogous to Community Improvement Districts, for residential areas requiring major retrofitting and improvement works
- Policy proposal vii: reduce the Local Housing Allowance payable on substandard private rented stock in Neighbourhood Improvement Districts.

4. Fund the building and transfer of homes into long-term, non-profit ownership in failing housing markets

- Policy proposal viii: fund a £1.3bn National Housing Conversion Fund to support transfer of properties in the lowest value housing markets to long-term, not-for-profit owners which commit to retrofit them to meet Government targets, prioritised on Neighbourhood Improvement Districts.
- Policy proposal ix: renew the successful Community Housing Fund
- Policy proposal x: expand support for private social investment in left behind neighbourhoods, by providing match funding on a first loss basis for social investment in retrofitting funds.

Chapter 6: Institutions and investment

1. Put local government finances on a sustainable footing

- Policy proposal i: free local government from the debt burden holding back its investment
- Policy proposal ii: guarantee local authorities in left behind places ten years of core revenue funding certainty

2. Empower local authorities to be effective community partners

- Policy proposal iii: require local authorities to have community asset transfer policies and champions
- Policy proposal iv: establish clear methodologies for appraising social value for public asset disposals
- Policy proposal v: allow local authorities to on-lend to their local community sectors

3. Rebuild the ecosystem with funding for what works

- Policy proposal vi: create a Community Wealth Fund worth at least £2bn as an independent endowment for the UK's left behind neighbourhoods.
- Policy proposal vii: replace short term, competitive funding pots, with more certain, needs-based funding streams for levelling up
- Policy proposal viii: recognise the added value of anchor institutions in planning and funding regimes
- Policy proposal ix: introduce new procurement and commissioning rules to explicitly prioritise social value over the whole of government accounts and ensure a greater role for social enterprises and community groups in public service delivery.
- Policy proposal x: increase the availability of government data at Lower Super Output Area level to support more place-sensitive policy and investment.

Chapter 1.
Levelling up left behind places

When the Prime Minister stood on the steps of Downing Street for the first time he promised to 'level up across Britain', focussing on the 'left behind towns' that have become a constant feature of recent policy debates.

"Never mind the backstop – the buck stops here. And I will tell you something else about my job. It is to be Prime Minister of the whole United Kingdom and that means uniting our country, answering at last the plea of the forgotten people and the left behind towns by physically and literally renewing the ties that bind us together so that with safer streets and better education and fantastic new road and rail infrastructure and full fibre broadband we level up across Britain with higher wages, and a higher living wage, and higher productivity we close the opportunity gap." [i]

There is no official definition of what 'left behind' or 'levelling up' mean. But everyone agrees that it must include healing the deep scars of geographic inequality that mar both England and the whole United Kingdom.

The economic imbalances between the nations and regions of the UK are well known and stark in international terms. Income per head in the UK's richest region (London) is 150 per cent larger than the poorest (the North East). This is almost double the equivalent gap in France and three-quarters larger than in Germany. This pattern has been intensifying in recent decades, as the regional distribution of income – and of the wealth, health and happiness that tend to correlate with it – has returned to that seen in the early twentieth century.[ii] The Industrial Strategy Council has told a near identical story for productivity. In 1901 productivity was 30 per cent higher in London than the UK average and 15 per cent lower in Yorkshire. During the mid-twentieth century this gap shrank significantly, only to widen again from the 1980s onwards. [iii]

Some more hard-nosed economic theorists may still believe that there is nothing wrong with regional inequality per se, or that even if there is, there is little government can do about it. But the political pendulum has swung decisively away from this position: the dominant question now is not whether, but how to tackle geographic imbalance. So how should we?

As a famously centralised state, most policy agendas in England are controlled directly from Westminster and Whitehall – and what subnational policy does exist has remained focused on larger regional levels

We live in places – cities, towns, neighbourhoods, villages – that have their own experiences and identities. It is these places that are the real building blocks of economic and social life.

at the expense of smaller subregions and local areas. But too much of a focus on regional divides risks missing the fundamental truth that people do not generally experience inequality or economic disadvantage as regional phenomena. We live in places – cities, towns, neighbourhoods, villages – that have their own experiences and identities. It is these places that are the real building blocks

Chapter 1.

Levelling up left behind places

of economic and social life. Differences between regions certainly exist, and are easy to demonstrate statistically, but they can mask the equally important differences between different places within regions.

Increasingly, interest has been turning towards the inequality experienced by different types of place. The Centre for Towns, unsurprisingly, believes that while the UK's 'cities receive a good deal of attention… there should be equal attention paid to the viability and prosperity of our towns' [iv] – many of which are seen to have struggled in the era of 'global cities.' Local Trust's research into the most left behind places has highlighted the needs of peripheral suburbs and coastal areas. Others have stressed the inequality that still exists between urban and rural areas.[v] Create Streets' work has set out clearly how elements of neighbourhoods' place quality starkly affect the health and mental well-being of the lives lived within them.[vi]

In the last five years the political shock of the Brexit referendum result and the subsequent upheavals of electoral geography have created the political conditions for renewed government interest in economic rebalancing, prompting the Prime Minister's announcement of levelling up as a national priority. This in turn has triggered an explosion of interest from think tanks and policy commentators in the lived experiences of communities themselves, which includes a far broader range of issues than those that can be reduced to economic metrics of employment, productivity or income.

As ever, the proliferation of think tank reports on levelling up reflect long trends in academic research, policy thinking and practice, which recent political events have only helped to crystalize. These include the steady growth of awareness of how much the quality of the built environment shapes our lives;[vii] the need to respond to the mounting urgency of the climate crisis;[viii] and the acknowledgement in mainstream economic thinking that prosperity and social capital are inseparable from each other: what the Financial Times columnist Martin Sandbu calls 'the economics of belonging.' [ix]

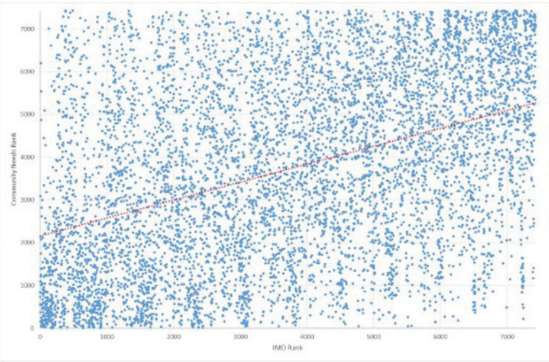
The extraordinary events of the covid pandemic have radically accelerated these trends, while the experience of lockdown has made the importance of community and the quality of local neighbourhoods tangible in ways that no amount of policy work ever could. As the Create Streets report, Terraced Friendship, showed, gardens and terraced homes were associated with getting to know more neighbours during lockdown.[x] There has surely never been a better moment to think big and act boldly to harness the best of this thinking and practice, new and old, to open a new chapter in this country's development.

We hope that this report – the product of a year of evidence gathering and discussion with experts and grassroots community activists from around the country – can contribute towards a deeper understanding of what levelling up our left behind places should mean, and some positive proposals for how to achieve it.

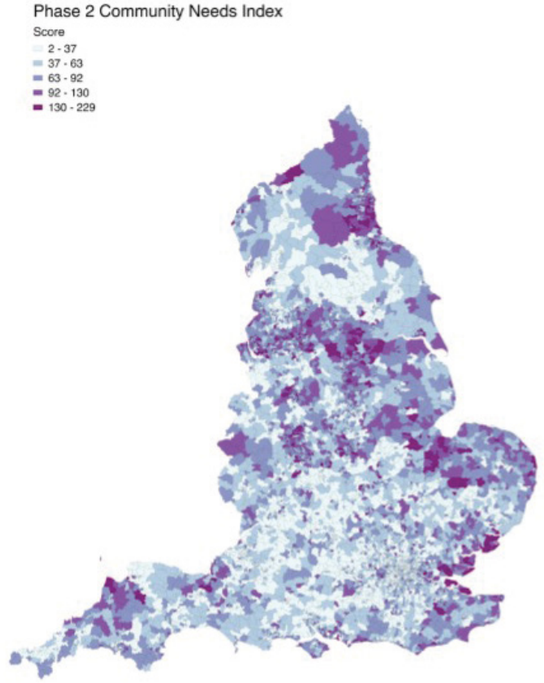
What do we mean by 'left behind places'?

The precise meaning of the term 'left behind places' is disputed. It lacks an accepted definition. Some dislike it for this reason – others feel it is a derogatory term, implying that these places are somehow backward. While we acknowledge these criticisms, we nonetheless believe that 'left behind places' captures something important about the intensely localised nature of people's experiences, the sense of neglect by government and market alike, and of being ignored by more dominant national narratives that people in many communities report. We absolutely do not use the term to belittle any place or the capacity of their communities – indeed, much of the evidence in this report is a testament to the resourcefulness and creativity of local communities, and the qualities and potential of places.

While there is clearly a relationship between deprivation, poverty and being left behind, this relationship is a subtle one that purely economic indicators alone cannot fully capture. The Community Needs Index, a composite measure designed by OCSI for Local Trust, seeks to capture this by bringing together data on the social and cultural factors that can lead to poorer outcomes in communities, such as a lack of places to meet, poor facilities, poor connectivity and low community participation rates.[xi] This data set has a positive relationship with the Index of Multiple Deprivation. However, as the chart on the right shows there are a large number of areas where this relationship is not strong.



Index of Multiple Deprivation and the Community Needs Index [xii]



Community Needs Index scores for all wards in England. Source: OCSI for Local Trust [xiii]

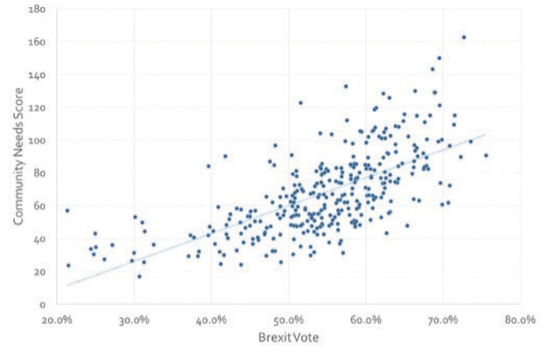
Chapter 1.

Levelling up left behind places

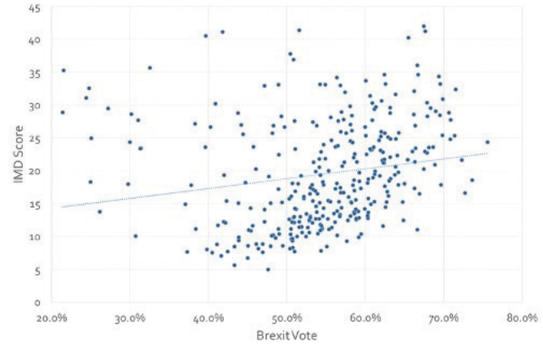
Local Trust's 225 most left behind places in England [xiii]

Local Trust then combined the Community Needs Index with the Index of Multiple Deprivation to identify the 225 most left behind wards in England, those that suffer both deprivation and a lack of social infrastructure – community spaces, connectivity and community engagement – which help mitigate the problems of economic disadvantage. On this measure, the highest concentrations of left behind areas are found on the peripheries of large urban areas: Greater Manchester, Merseyside, Birmingham and the Black Country and to the east of London in the Thames Gateway. There are also high concentrations in the former mining and industrial areas of the North East, County Durham and Teeside, South Yorkshire and the East Midlands. More isolated pockets are found in coastal communities, particularly along the East coast. By contrast, very few inner-city areas are identified as the most left behind on this measure. This is not to suggest that some inner-city areas are not extremely deprived, or that urban poverty is not a serious policy challenge. But it does highlight that, in most cases, this is not accompanied by the same degree of loss of social infrastructure that typifies the areas identified by the Community Needs Index.

Similarly, economic geographer Andres Rodriguez-Pose of the LSE has made a powerful case for interpreting the Brexit vote (and other recent political upheavals around the world) as political revolts of people with a strong sense of attachment to 'the places that don't matter' - those places that have been marginalised by economic change and an elite national and international narrative that both justifies and entrenches that marginalisation.[xiv] It is worth noting that a local authority's score on the Index of Multiple Deprivation is only very weakly correlated with its Brexit vote, the Community Needs Index shows a strong positive relationship.



Brexit vote in local authority areas correlated with CNI and IMD scores [xv]



We therefore believe that 'left behind places' is a meaningful concept and a useful term, and one that at least some of the people living in these places identify with themselves. It is a term 'that people seem instinctively to understand and which has political, social and cultural resonance'. [xvi]

In addition to the Community Needs Index there have been numerous recent attempts to define left behind places, based on accumulating multiple indicators to generate indices of the experiences and attitudes of local communities.[xvii] We have not sought to duplicate these studies, but rather to learn from what they can tell us about the economic and social condition of different places, and about what could work to improve them. There are useful lessons to be learned from different types of place – each of which may or may not meet any particular definition of 'left behindness'. For this reason, we have not restricted our case study locations to places meeting a particular definition. Where it is useful to compare numerical data we have used the Community Needs Index as our main source.

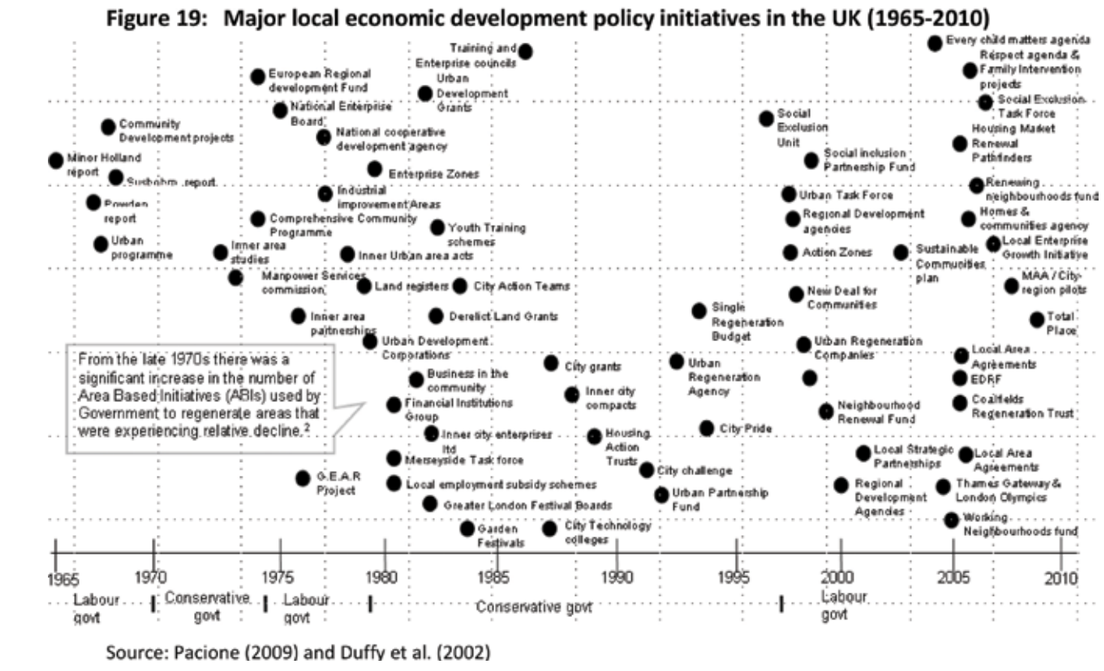
Chapter 1.

Levelling up left behind places

Virtuous circles of regeneration

The levelling up agenda is the latest in a long line of policy drives to address persistent geographic economic imbalances. Successive governments of all stripes have adopted different frameworks, with varying levels of emphasis on people-centred or place-based strategies.

- People-oriented agendas such as education, skills, welfare and health have generally been driven by national institutions and programmes. They are concerned with ensuring uniform provision, but may not adapt readily to differing local contexts. They are rarely designed to engage with placemaking and regeneration on the ground.
- By contrast, area-based initiatives such as housing, transport and environmental investment programmes are more explicitly place-focused. However, they have tended to concentrate on physical infrastructure and business growth – particularly major transport links and nurturing large scale employers. They tend not to be focused on neighbourhoods and places.



Professor Pete Tyler: Regenerating left behind places: lessons from the past [xviii]

Neither approach is perfect – and the tension between them has given rise to what might be termed the 'dilemma of regeneration', which was summed in interviews conducted by Prof Pete Tyler and colleagues in 2019:

"A couple of interviewees said that an inherent difficulty with economic development is that people are increasingly transitory. This means that local economic development can end up having unintended consequences: schemes that focus on building people's skills and employability often result in the beneficiaries of these schemes moving out of the area: "You can undertake activities that improves the economy of a place, but it doesn't last in the long-term, because either the money washes away again, or the people wash away as they improve their circumstance and leave that place behind. So things can improve, but the fundamental, spatial geography doesn't necessarily change."

Alternatively, one described how the reverse can happen, if the economy of an area improves and it becomes more desirable, then it can end up becoming gentrified: "The fortunes of a place improve, but that has a knock-on impact on things like house prices. And people want to start moving into that area, because it's improved and local people who maybe have been there for years start to be priced out." [xix]

At its worst, the workings of this dynamic can fuel ever greater division and inequality between places, as people with choices and resources leave declining places for more economically dynamic ones, simultaneously lowering property values and local incomes in the place they leave and raising them in the place their arrive. As wealth and income leave, local businesses struggle and fold, reducing economic activity and hollowing out the tax base of the local authority. Empty businesses and local authority cut backs worsen the quality of the living environment, hastening the flight of more people.

The fundamental challenge for levelling up – and for all regeneration strategies – is to turn these vicious circles of neighbourhood decline into the virtuous circles of neighbourhood prosperity that can keep more people, more economic activity and more prosperity local. Achieving this obviously requires neighbourhood interventions by local actors, as well as those that improve peoples earning power and choices. In this context, however, it is worth noting that the three largest items of government expenditure – welfare, health and education – are all on the people side of the ledger, and that they are controlled directly by central government, with only minimal roles for regional and local authorities. This structural imbalance usually leaves local neighbourhood regeneration at the back of the funding queue.

Place-based strategies have generally proved less popular with governments, and so have been much more time-limited. This partly reflects the capital-intensive nature of infrastructural investment, which is always more prone to cuts in times of fiscal retrenchment, and the greater role of private investment in these areas. But it is also

Chapter 1.

Levelling up left behind places

the consequence of dominant economic thinking that suggests there is little policy can do to change fundamental shifts in economic geography beyond connecting people to growing places. In practice, the debate has often come down to little more than a choice between transport vs. skills, with occasional bursts of enthusiasm for enterprise zones.

More fine-tuned, locally specific place-based intervention has largely been absent from the conversation. Perhaps clearing the litter off the streets or repurposing heritage buildings seem like too small an intervention to make a dent in knotty, intractable problems of economic decline – or perhaps the highly centralised nature of the UK state means it simply struggles to engage with the fabric of local places effectively. Whatever the reason for this bias, we do not accept that it is inevitable, or that improving places must necessarily come at the expense of investing in people's skills and education. But even if the sceptics are right, and place quality improvements do not generate measurable economic improvements in the short run, they still leave a positive, tangible legacy for that place, one that may generate all sorts of unforeseen benefits in the future. Who would now advocate the demolition of Halifax's Piece Hall, now a retail and arts venue, or Sunderland's Mowbray Park, the main green space in the city centre, on the grounds that they were clearly not meeting their original objectives of boosting the wool trade or fighting cholera? The investment in these high quality places has continually been repaid as the communities they serve have developed new uses to suit changing times.

Martin Sandbu, The Economics of Belonging

'A politically and morally acceptable strategy to address regional disparity needs to be at the same time sensible and sensitive. In must recognise the deep forces driving divergence, while finding ways for those in left-behind places – especially those tied to them most strongly – to adapt to economic change without demanding that they sacrifice community. That means equipping both individuals and places with the means to thrive in the new economy. Any alternative to the counsel of despair of simply managing the decline of left-behind places must have as an express objective to sustain places across national territories as good places to live, and as productive places to work and produce. That means making policy at least in part "place-sensitive" and not just "spatially blind." Because of the self-perpetuating forces set in motion by our economies' structural change, it is a mistake to think that helping individuals will suffice to help places, too.' [xx]

So we firmly believe that making places better is worthwhile. But we also recognise the dilemma of regeneration: that if a failure to invest in place quality can drive people with choices away, so too can investment in place price out the people who already live there. What is pejoratively labelled 'gentrification' is largely the result of positive investments in places interacting with the property market. The solution is for local people themselves to have more ownership, and especially community ownership, of local homes, assets and businesses, as this can act as a bulwark against both of the negative outcomes of the dilemma. If more people are owner occupiers and fewer are private renters, if more renters rent their home from a social landlord or a community-led charity that has their interests at heart, then fewer people are likely to either flee economic decline or be pushed out by regeneration. If more people have a stake in a local business, or a local community project, or a pub, then there are more local people with more reasons to stay – and more money circulating locally. We therefore agree with Danny Kruger MP that more local and more community ownership of socially important assets is an excellent way to drive the virtuous circle of regeneration from the ground up. [xxi] We need to re-establish the virtuous circles of prosperous neighbourhoods in left behind places so that people with 'get up and go' do not literally get up and go.

Effective regeneration requires a huge number of things to be done, to be done right, and to be properly co-ordinated with each other. We do not underestimate the importance of conventional economic development, national-scale infrastructure, health, training or welfare policies. But this Commission has focused its work on place-based interventions and community empowerment – approaches that have been traditionally undervalued in previous strategies. It is in these that we see most scope for positive, long-lasting impact: the quality of place; the reinvention of the high street; the potential of community ownership; the renewal of aging housing stock; and the complex fabric of institutions and funding necessary to deliver it all.

The quality of places matters

Left behind places often suffer from poor place quality – whether it's run-down housing and declining high streets, or a lack of decent public realm, green spaces or public transport provision. Many bear the physical scars of economic decline and under investment, like abandoned ex-industrial buildings, contaminated brownfield sites and empty homes. And where investment has occurred, low land values, stretched local authority finances and disempowered local communities have often resulted in insensitive economic development, poorly designed housing estates and car-dominated public spaces that undermine place quality.

Lockdown has generally heightened awareness of the importance of local place quality, by obliging us all to spend more time at home and to work in residential not city centre neighbourhoods. This has hastened

Chapter 1.

Levelling up left behind places

the long decline of many traditional, retail-centred high streets – though not all. The time is clearly right for a reappraisal of the importance of place quality, both for the health and happiness of local people and for hard economic reasons. In the context of globalisation and increasing digital connectivity, how pleasant a place is for people to live and work in is not just a welfare issue – it is fundamental to what Martin Sandbu calls an economic 'strategy of attraction', which he contrasts favourably with the alternative strategies of 'reversal' and 'connectivity' as responses to structural economic change. Reversing the decline of left behind places with a strategy of attraction means making them truly attractive places for people to stay, to move to, to visit and to invest in.

Martin Sandbu, The Economics of Belonging

'Central to the strategy of attraction is to create, retain, and attract highly productive human capital in areas that are currently losing it – or in more human terms, build places where enough skilled and highly educated workers want to live and can find rewarding work.

This requires two things: more capital of every other sort, and a robust enough level of local purchasing power to sustain the sort of services that make a place nice to live in and is a central part of the draw of living in successful cities.

Struggling places need physical capital for digital, transport and other connectivity infrastructure.... – both to be productive and to be attractive. This is not limited to infrastructure investment to reduce physical and economic distance to economic centres (which is the only focus of the connectivity strategy). Left-behind areas also need capital that reduces physical and economic distances within them... A further type of necessary physical capital is in the form of public goods that increase the appeal of a place in terms of the services and social connectedness – think libraries and arts institutions – that typically suffer from underfunding when the local economy fails.' [xxii]

Place-focused strategies of attraction may also help tackle problems of political disengagement. For those who feel alienated and ignored by politics, small interventions to improve place may be easier to engage with than structural questions around skills and local employment. Many people seem to feel more entitled to express a view on their local environment than on bigger structural questions, and it is easier to believe that some positive change may be achieved quickly when it comes to cleaner streets. A focus on local place quality therefore tallies well with the emphasis on community engagement and empowerment which runs throughout our recommendations.

In chapter 2 we explore many of the ways that central government and its local partners could improve the quality of places around the country, and particularly those that are the most left behind. We highlight the importance of urban trees and green space, of high quality streets and squares redesigned around the needs of people not vehicles, as these are the spaces that define how a place feels – and how people feel about it. We call for a revolution in local transport connectivity, with better bus services and new trams connecting towns, suburbs and villages, and e-scooters and e-bikes liberating people to travel around their locality cheaply and sustainably, while freeing urban spaces from the domination of excess traffic. This has the potential to improve lives led and air breathed at surprisingly little cost compared to the price tag on a mile of motorway.

Town centres, high streets and the smaller centres of villages and residential suburbs are of particular importance for community life and the identity of places. Many have also been hit hardest by economic change – especially the decline of mid-twentieth century retail – and the impacts of covid. We therefore devote chapter 3 to specific interventions aimed at reinventing the high street to be the thriving centre of community life once again. We call for urgent support for the independent shops and businesses that give these places their distinctive character; a revolving asset fund to get vacant commercial property into beneficial uses quickly; and smarter planning policies and area-wide regeneration strategies aimed at diversifying high streets, to be delivered using a new model of locally-accountable Community Improvement Districts.

The social fabric and the infrastructure that supports it matters

Academics have tracked the decline of social capital in western nations for many decades - most famously in Robert Putnam's Bowling Alone[xxiii]- and its importance for well-being and economic growth are well established. [xxiv] There is less agreement as to the causes of decaying social capital, but whether you blame economic dislocation, the decline of religion, austerity-driven cuts to local services, or even the impact of television on our propensity to join clubs and associations,[xxv] left behind places generally lack the social infrastructure that sustains a rich social fabric. This not only makes people who live there significantly more prone to poor health and other negative outcomes, as compared to both the national average and to equally deprived places that are better equipped and connected:[xxvi] it is also associated with weaker economic growth. [xxvii] For example, Frontier Economics estimate that the lower level of social infastructure in left behind places is associated with lower employment and skills outcomes.[xxviii] Conversely, places with stronger social infrastructure are more resilient to economic shocks[xxix] and do better at reducing economic deprivation.[xxx]

Chapter 1.

Levelling up left behind places

While there are many forms of social infrastructure, and places all have locally specific needs, in various surveys and our own case studies, local people in left behind places most often report that 'places to meet' are what their area needs most. The simple ability to come together with friends and neighbours - for a meal, a drink, or a meeting - is central to community life, and the closure of these basic facilities in the face of market forces and public service cuts is keenly felt as a symbol and driver of decline. Often, of course, a 'place to meet' is not just the room or the public square but the quality and safety of the experience and the ease of getting there.

Who decides, and who owns it, matters

Where neither the market nor the state seem able to provide these essential assets to left behind places, communities themselves have started to do so. Recent years have seen a steady growth in community-run organisations taking the lead in providing their own social infrastructure. The evidence we have seen suggests that these approaches have huge potential to improve the condition of left behind places. This is because they can respond directly to the locally specific needs of their places and because the process of community engagement and action creates additional social capital itself. [xxxi] But despite the recent proliferation of public funds to support them, these initiatives typically encounter multiple barriers. Many community-led regeneration efforts struggle to get off the ground. Too often, the incentives on property owners are not aligned with the interests of local communities, leading to iconic properties being left empty and to the neglect of heritage buildings.

In chapter 4 we identify the levelling up agenda as a unique opportunity to give this emerging community ownership sector the tools and the resources it needs to scale up – based on lessons from some inspiring examples of community-led regeneration. We call for the government to complete the task begun with the Localism Act of 2011 and to empower communities to take control of vital assets that come up for sale, by creating a genuine Community Right to Buy. In order to tackle the dereliction that can blight towns for decades, we call for the government's proposed Right to Regenerate legislation to give communities the power to acquire empty property at a fair value.

The neighbourhoods we live in matter

The urgent need to renew the physical and social fabric of left behind places is not restricted to the streets and parks, shops and public buildings where community life is most visible. The majority of the built environment consists of residential neighbourhoods, which is where most of us spend most of our lives. This is particularly true of more left behind places, which are often marked by a relative lack of non-residential uses, and never more so than after a year and a half of lockdowns and home working. The quality of our homes and the neighbourhoods we live in matters hugely. Unlike public and commercial property, which is generally owned and controlled by a relatively small number of organisations, ownership of the housing stock is widely dispersed between individual owner occupiers, private investors, and social landlords – all of whom have very different interests and capabilities. This means that different interventions are required to make regeneration work in residential neighbourhoods.

In chapter 5 we examine the problems of primarily residential neighbourhoods in left behind places. Many of these are marked by aging and poor quality housing stock, problems that can be exacerbated by buy-to-let landlords pursuing the relatively high yields that these properties can offer when let at housing benefit rates. The huge challenge of retrofitting all of the nation's homes to the net zero carbon standard by 2050 is all the more daunting in these places, where landlords have little or no incentive to invest in energy improvements, and the cost of retrofitting may even exceed the value of the home itself.

The only solution will be for government to support area-wide retrofitting and neighbourhood improvement programmes that can, over time, raise the overall value of the place and recoup some or all of the initial investment. To this end we propose that government creates Neighbourhood Improvement Districts to lead area-wide transformation. We argue for bringing forward the planned social housing decarbonisation fund to kickstart the supply chains that will be needed to retrofit the nation's homes. We also highlight the success of some housing association neighbourhood regeneration projects and community-led housing schemes in left behind places. We call for the government to provide greater resources for these approaches.

The ecosystem of local institutions matters

Regeneration is difficult. Many of the problems of left behind places have deep roots: transformation will require complex systems evolving over time, not quick fixes. Successful places benefit from a huge number of different organisations competing and collaborating: left behind places will need time and support to develop an equally rich institutional ecosystem that can become an effective catalyst for sustained regeneration. In Chapter 6 we explore how investment and other tools can be deployed to nurture such supportive ecosystems and overcome some of the failings of the current apparatus of government.

Our systems for recovering from local economic shocks are relatively under-developed. Local authorities have few of the levers or skills required. Many have capacity and capability issues after a long period of budget reductions. This means that other institutions (such as housing associations, colleges, universities, developers and major private sector employers) have a hugely important role to play, both working collectively and as individual economic actors. In particular, we highlight the important role that some key organisations play in their local ecosystems. Anchor institutions can take many forms, such as housing associations or schools. They are

Chapter 1.

Levelling up left behind places

often critical economic actors in their own right, sitting at the centre of local supply chains and collaborative networks. Their loss can be a severe blow for struggling places, as they often represent the last major institution with a physical presence in the community. Funding and planning regimes need to recognise the symbolic and practical importance of this function in order to preserve existing anchors and create new ones.

We recognise the central importance of accountable governance at the right scale – and have followed closely the complex, and sometimes interminable, debates around devolution and the ever changing structure of subnational government. In principle we are supportive of efforts to devolve more funding, decision making and power to more local levels –

> We need to recognise the higher revenue costs involved in building capacity at the community level.

whether these are metro mayors, local authorities or local communities themselves. The excellent work of the 2070 Commission into regional inequality has much to recommend it – but its very title is also a recognition that 'the timescales for successful city and regional development are often very long.' [xxxii] It seems clear that there will be no comprehensive reform of the current system soon, and any such move would absorb huge amounts of political and administrative energy that would be better focused on the practical task of levelling up now. We have therefore not made specific recommendations in this area, but have designed our proposals to work within the existing, imperfect, framework of government.

We see no contradiction between the current wave of enthusiasm for growing the community sector and the importance of local government. What has been termed the 'community paradigm' [xxxiii] works best when it is a partnership between councils and their community sectors, as demonstrated by authorities like Wigan and Calderdale that have consciously sought to nurture local community organisations and initiatives. But we do recognise that efforts to level up with a few time-limited funding pots will fail unless they are accompanied by a transformation in local government finance. After ten years of bearing the brunt of public spending cuts, local government urgently needs greater financial support just to deliver its statutory duties – let alone effectively partner with business and local communities to deliver transformative regeneration. To this end we call for increased revenue support and a ten year funding settlement for councils in left behind places. We suggest that the Treasury should reallocate outstanding local government debt onto the national books, thus freeing up councils' balance sheets to support investment.

While national government funding for regeneration is critical, Whitehall-driven programmes are rarely well suited to supporting local, low-resource but agile organisations, which can find themselves wasting energy bidding for multiple pots and distorting their activity to meet inappropriate funding criteria. Funding regimes therefore need to work hard to get the balance right between openness and flexibility while ensuring proper oversight and scrutiny. We need to recognise the higher revenue costs involved in building capacity at the community level. While we very warmly welcome the significant sums that the government has already committed to levelling up, we are critical of the tendency to run these funds centrally from Whitehall, and to force local councils and others to bid competitively for them. Instead, we call on government to replace short term, competitive pots for narrowly defined programmes with longer term, needs-based funding formulas that will give communities in left behind places the confidence and capacity to embark on bold, joined-up plans for regeneration. We also call for a £2bn endowment - a Community Wealth Fund - to build on the success of Big Local by supporting communities in the most left behind places to develop their own solutions.

Many of our proposals come with significant price tags: we do not minimise this or pretend that addressing many decades of economic imbalance can be done cheaply or easily. A recent estimate by the Centre for Cities put the bill for levelling up at around £1.7 trillion. This is comparable to the cost of bringing the former East Germany up to the levels of prosperity found in the West.[xxxiv] In this context, our proposals are rather modest. Indeed one of the advantages of neighbourhood level, community-led interventions is that they often focus on relatively small scale changes that can make a real difference locally, and on empowering local communities to lead regeneration efforts themselves. The largest single figure in our proposals – the reallocation of£86bn of Public Works Loan Board debt from local to central government – is essentially an accounting change. It should in fact save the nation money thanks to the lower rates of interest paid by national government.

In addition to the policy proposals and funding asks, in each chapter we identify what we call 'hidden levers' – technical changes to law, policy and practice that may not grab headlines or feature prominently in manifestos, but which we identify as critical to improving existing processes or implementing our other proposals. In our experience, it is often the workings of this technical details that prevent well-intentioned policies and programmes from having their desired effect. We cannot allow the levelling up agenda to fail for want of courage or investment – or attention to detail.

We hope that this report is useful to the many good men and women up and down the country who by their example, by their participation or by their leadership are seeking to improve the prosperity and liveability of Britain's left behind neighbourhoods. There is certainly an opportunity to seize.

This report is intentionally written in a non-partisan spirit. It seeks to explain and improve not to point fingers. We hope that it can practically be of help to neighbourhood, local and national leaders of all parties and of none. And we wish them well in their efforts.

Chapter 1.

Levelling up left behind places
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Chapter 2.
The Importance of Place

Left behind places need…trees, trams and tricycles… to create prosperous, child-friendly places.

Policies:

1. Put urban roads on a street diet and create safer streets. Humanise over-engineered roads: remove dual carriageways from town centres, and make 20 mph speed limits standard for urban areas
2. Plant trees and green towns. Set a target of a 10% increase in urban tree coverage, and update the green and play space standards
3. Connect communities. Pledge to reconnect every town, neighbourhood and village with local bus and tram lines
4. Liberate movement. Legalise e-scooters and support the cost of first adopters buying e-bikes

Funding:

1. Extend and expand the Urban Tree Challenge Fund (50% matched)
2. Expand active travel funding to £5bn, to meet Government strategy aims
3. Free travel passes for jobseekers and carers in left behind places
4. Provide temporary financial support for early adopters' e-bike purchases

Hidden Levers:

1. Make supporting high quality placemaking an explicit objective of roads strategies and funds (e.g. MRN, RIS2, Local Growth Fund[1]), including for existing towns
2. Make the Manual for Streets official government policy (not just guidance), and update the place-harmful aspects of Secure by Design guidance; service vehicle access rules (the 'bin lorry effect'); highways rules on visibility splays; and parking requirements for new homes
3. Replace 'predict & provide' transport modelling with 'vision and validate' approaches, and include health, pollution and wellbeing indicators in chief executives', highways departments' and planning and housing teams' KPIs
4. Reduce regulatory and procurement burdens to lower the cost of new tram systems

Chapter 2.

The Importance of Place

Trees, trams and tricycles

The time is now. We need to re-establish the virtuous circles of prosperity in left behind places so that people with 'get up and go' do not literally get up and go. We need to start attracting more people to live, work, create jobs and raise families in those towns and neighbourhoods which have suffered in the long twentieth century. We know that less prosperous places tend to be less healthy and less beautiful, with fewer trees and faster roads. There is now a unique opportunity created by the dislocations of the pandemic, by government funding and by new industries (such as offshore wind) for more investment in left behind places. The risk is that new jobs and investment are not used to revitalise the prosperity and attractiveness of existing settlements but merely to construct fast roads linking new jobs to new housing estates sprawling through our countryside. This is both a waste of resources and a missed opportunity for existing communities. It is not levelling up.

We have heard repeatedly from our case studies, from our expert witnesses and from responses to our call for evidence that the quality of the physical environment in England's town and local centres is of paramount importance to local people and to places' potential for prosperity and health. Our health and happiness is not controlled by where we live. But it is hugely and predictably influenced by factors such as how much we walk, the air we breathe, how we interact with our neighbours and how stressed or in control we feel as we go about our daily tasks. The design and character of streets and public spaces affect our social interactions and our communities' sense of pride and wellbeing. Sadly, all too often they have been neglected, written off as ephemeral or, worse, suffered from insensitive or incoherent interventions.

Improving the physical quality of left behind places means many things; from streets to squares, from buildings to transport. The right interventions will vary from place to place. But the three key themes that have consistently emerged from our evidence can be summarised as trees, trams, and tricycles.

Almost all streets can be dramatically improved by the addition of trees – especially as part of a wider transformation of urban roads into welcoming, pleasant places in which to spend time.[2] Trams were once the lifeblood of many thriving towns, suburbs and cities. They offer the advantages of rail at a fraction of the cost and provide more speed, certainty and stability of service than buses – so their creation can have a far greater impact on the investment choices and behaviours that shape places. There is a technological opportunity now to reinvent and rediscover trams for the twenty first century. New technology and smart regulatory reform offers the potential to significantly reduce the cost of new tramlines, creating popular, fast, predictable and sustainable transport links within and between towns and neighbourhoods – and making the shift from congested, car-dependent thoroughfares to vibrant streets a viable option for local people in places where train lines are unlikely to be viable.

Chapter 2.

The Importance of Place

Finally, as urban reformers the world over have noticed, children are the 'indicator species' of healthy places.[3] If small children can happily and safely ride a tricycle around a place, it's almost certainly a good place to meet friends, shop, go for a meal out, access services, or just hang out. When selecting changes and investments for left behind places, decision makers would do well to apply the 'tricycle test' and ask: will this make it a better place better for children? If you wouldn't let a child of 8 cross a street on their own, that road probably doesn't belong in a town centre or residential neighbourhood.

The long view and short view are both relevant

The shifting fortunes of economic geography, particularly deindustrialisation and the waning of traditional seaside resort holidays, provides the familiar background for town centre decline in many of England's left behind places. More recently, the collapse of traditional retail with its implications for the high street have been well documented.[4] But there are also more subtle drivers of place quality decline. For much of the post war era, highways-dominated transport planning has cut apart far too many towns and even larger cities with fast and wide roads. This severs communities, befouls the air, kills most public or active transport, and discourages residency or local investment.

Highways severing communities

We heard from regeneration leads at Rochdale Boroughwide Housing that local people on one estate feel cut off from a town centre just 15 minutes' walk away because the only walking route goes through an underpass and round the back of a shopping centre, which some residents feel unsafe taking at night. We also heard from Chatham Arches Local that poor walking and cycling infrastructure leaves residents feeling distant from nearby prosperous Rochester. With low levels of car ownership in many left behind places, the result is often people missing out on the opportunities and services neighbouring places have to offer.[5]

Reclaiming urban space for people and economic interaction will require wiser transport planning. We must recognise the range of different people's transport needs including orbital connections between residential suburbs, non-peak hour and non-work journeys. Particularly in a post-pandemic world these travel patterns can be just as important as rush hour commutes to and from major employment centres. They have been neglected too often and for too long.

Co-design not design from on high

Investment in place should be delivered with the active participation of local communities. The government's commitment to investing in rail and active transport measures; their enthusiasm for bus network reform and new technology together with the £24.7 billion roads budget itself, are an urgent and critical opportunity to learn from past mistakes and make lasting improvements to left behind places.

Interventions and investments should be co-ordinated to provide integrated transport in attractive, humanised town centres and neighbourhoods. Similarly, new developments should have sustainable transport options planned and built into them from the start, as set out, for example, by Transport for New Homes, to avoid creating isolated, underserved estates that worsen existing congestion and risk becoming the left behind places of tomorrow.[6]

1. Put urban areas on a street diet and create safer streets

The quality of the urban fabric in many of England's towns and cities, including many left behind places, has suffered from the twentieth century habit of imposing fast, wide and heavily engineered roads on existing places – and designing new places around them. Too many purely prioritised the rapid movement of cars, not the prosperity and health of people and communities. Every journey happens through someone else's place. Motorways and dual carriageways within towns and neighbourhoods sever communities, ruin air quality, take away alternative transport choices, and ultimately deter residents and 'fine grained' local investment alike. They tend instead to attract big box commercial buildings and surface carparks into the heart of towns, which actually reduce local prosperity and tax take.[7] No town centre should be despoiled in this way. Undoing this damage should be a major focus of levelling up.

Morecambe, where a dual carriageway and around 15 surface carparks dominate the town centre between the station, the sea front and the new Eden Project site

Grimsby, where an arterial road, much of it dualled and/or elevated separates the town from the coast and left behind neighbourhoods from the town centre.

Chapter 2.

The Importance of Place

Policy proposal i: repurpose the existing roads budget to include reducing or removing urban motorways and dual carriageways, to create boulevards, linear parks and public spaces

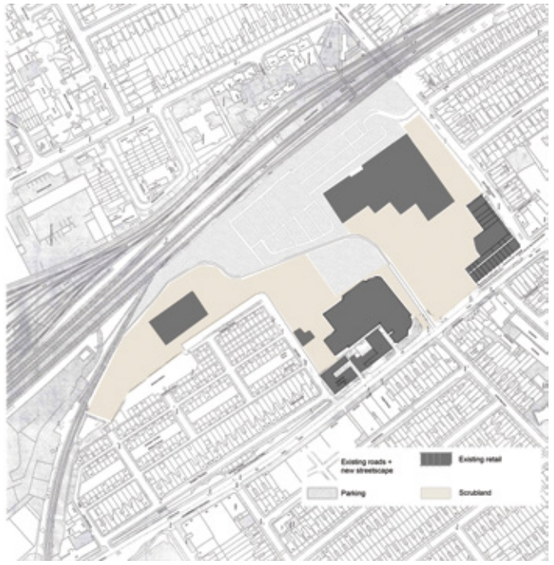
The government should change the objectives of the existing £24.7bn roads budget to enable place-transformative change by reducing urban motorways and dual carriageways to more suitable widths, turning arterial roads into boulevards,[8] or removing them entirely to create new linear parks and public spaces – as has been done to great effect in cities around the world.

Embarcadero Freeway, San Fransisco

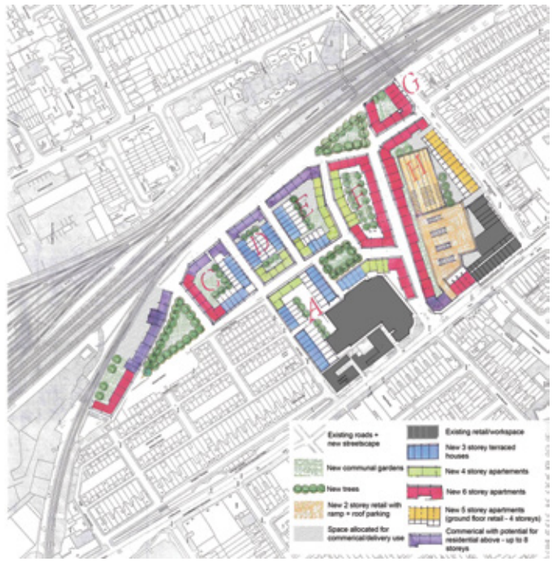
After decades separating the waterfront from the city centre, the double-decker freeway was removed in 1991 after being damaged in an earthquake, and replaced with a tree-lined boulevard, complete with public squares and tramlines. Despite a strenuous campaign against it, the removal of the freeway has had a strongly positive impact on the local economy and property values.[9]

The hypothecation of Vehicle Excise Duty in Budget 2018 created a National Roads Fund of £28.8 billion for 2020-25.[10] These funding streams do now include wider objectives than just journey speeds such as supporting economic rebalancing and 'non-motorised users'. [11] However, they still do not include recognition of the importance of road design in placemaking and local prosperity. This needs to change, both to prevent out-dated highways objectives blocking vital place improvements to left behind places and to allow road-humanising schemes to be funded directly from the roads budget.

Humanising over-engineered roads will also create opportunities to reclaim urban space from 'boxland' development and surface carparking in towns – freeing up well located brownfield land for better, denser and more economically diverse uses.



Remodelling monocultural boxland sites into new, mixed use urban neighbourhoods[12]



Remodelling monocultural boxland sites into new, mixed use urban neighbourhoods

Policy proposal ii: make a 20 mph speed limit the standard for urban areas

The government should signal its commitment to a people-friendly road network by making 20 mph speed limits the standard for urban areas,[13] excepting major through roads.[14] Local authorities would still have the flexibility to adjust this to 30mph at their discretion. Where 20 mph speed limits have been introduced and enforced (like central London), they have led to benefits for active travel take up, community cohesion, air quality and noise pollution, as well as reductions in road crashes and casualties.[15]

Policy proposal iii: update highways policy to create better, safer streets

Even smaller, more residential streets are too often designed around the ease of movement of cars and service vehicles, not the needs of people, which has the knock-on effect of determining the density and design of housing and other buildings. Highways demands regularly take the lion's share of Section 106 contributions from development, leaving little for more beneficial community infrastructure. There is now decades of evidence of the harm caused, supplemented by recent evidence of poor lived experience of this development model during the pandemic.[16]

Yet despite significant professional efforts to develop models and guidance that better reflect the needs of people and places, and some positive examples of better street design, progress remains slow, and there is a tendency for planning and investment decisions to revert to the status quo of streets designed around the needs of vehicles rather than people. This pattern of place-damaging infrastructure is driven by outdated policies, the technical models underpinning them, and the incentives guiding technical officers' behaviour, which makes it hard to change decision making - a classic example of the 'hidden levers' that seem to lock-in a lot of wasteful and dysfunctional behaviour in the system.

Chapter 2.

The Importance of Place

The Bin Lorry Effect and other hidden levers[17]

- The Bin Lorry Effect: Planning rules often fix the design of streets around bin lorries, instead of designing bin lorries around our streets. And many local authorities have standards stating that bin collectors must be able to pick up rubbish without walking more than a few metres. In Islington the maximum is 10m from the lorry. The alternative is to procure smaller refuse vehicles or rear axle steering vehicles when fleets are inevitably upgraded to electric vehicles, and to use communal bins to comply with standards, often placed underground and close to the main road, or extend the distance bin collectors can walk.

- Minimum parking standards. Local plans often require new developments to provide a minimum number of parking spaces per home, which are often excessive and poorly evidenced, resulting in wasted space and embedding car dependency. Alternatively local plans can replace parking minimums with parking maximums, as authorities from Sunderland to London already do. This allows the market to decide if developments would benefit from less space for parking and more space for homes and green space. Parking maximums also encourage car-free or 'car-lite' developments close to good public transport or town centres.

- Secured By Design. Rules designed to reduce theft from cars dictate that parking spaces must be overlooked by a kitchen or living room, encouraging more on-street parking. The Secured By Design housing guide should be revised to remove this requirement and encourage more efficient and sustainable parking options.

The forthcoming third edition of the Manual for Streets (which we warmly welcome) should be made formal policy, rather than guidance that can be and often is ignored. Other place-harmful regulations that need to be amended include Secured By Design guidance; service vehicle access rules; highways rules on visibility splays; and parking requirements for new homes. For example, there is a golden opportunity to update public-sector vehicle standards when electrifying refuse collection fleets to comply with emissions targets. Switching to smaller lorries or technologies such as rear axle turning vehicles would reduce required street widths, allowing more space to be used for the things people value, like greenery.

Policy proposal iv: include health, pollution and wellbeing indicators in chief executives', highways departments' and planning and housing teams' KPIs

Senior council staff should be set key targets and performance indicators for improving community well-being, health and air quality, as proposed by the Building Better, Building Beautiful Commission.[18]

2. Plant trees and clean the air

The lived experience of lock-down has highlighted the benefits of urban greenery for well-being, health and overall place quality and prosperity.

"The seating and planting that have been added here as a parklet gives a safe space for people to sit and talk in the open air at suitable distances." Leeds resident[19]

A year on from the outbreak of the pandemic, data from Google showed that visits to parks in the UK were up 48% on pre-pandemic levels.[20] Many of this commission's case studies described a local green space as 'a lifeline' for the community during lockdowns, as a safe place to come together, exercise and play. The immediate opportunity now is to increase 'little and often' greenery, the street trees or low-level planting that very often have the most measurable benefit on residential health and well-being because it is so frequently encountered. There is overwhelmingly clear evidence of the positive association of street trees on fewer accidents, cleaner air, less childhood asthma, lower anti-depressant prescription rates, reduced crime rates and higher property values.[21]

Evidence: The benefits of street trees

Street trees are associated with slower cars, better air quality, moderated energy usages and happier and healthier residents. One study found that the presence of trees reduced speeds by seven to eight miles per hour... A study of five arterial roadways found that mid–block car crashes declined by five to 20 per cent in areas with features such as trees or concrete planters along the road.[22]**.... Urban trees improve air quality.**[23] **They moderate energy use for heating and cooling.**[24] **People also aesthetically prefer streets with trees in them.**[25]

But when it comes to urban greenery not all neighbourhoods are equal. ONS data shows that there is a strong correlation between low canopy cover and social deprivation.[26] The direction of policy over recent months is recognising this,[27] with the new National Model Design Code, the upcoming release of Manual for Streets 3, the new Biodiversity Net Gain metric 3.0 and the recent changes in the national planning policy framework requiring developers to work closely with highways and tree officers, for every new street to be tree lined, and all new developments to achieve a 10 percent net gain in biodiversity.[28]

Policy proposal v: extend and simplify the Urban Tree Challenge Fund.

Recently the Urban Tree Challenge Fund has provided funding for the planting of trees in urban areas, as part of the government's Nature for Climate Fund. The fund covers 50 per cent of the costs for communities and local authorities to retrofit trees in urban places and to maintain them for three years. Importantly, and for the first time, funding applications were scored based on socio-economic deprivation and current tree canopy cover, or lack of.[29]

The Urban Tree Challenge Fund's positive impacts are already being seen across England, where the first two rounds have supported the planting of 134,000 new trees and the third round for 2021/2022 aims to plant a further 44,000.[30] However, despite the priority for funding given to more deprived places with fewest trees, the communities who are most in need seem to be struggling to apply due to onerous application requirements – in particular section 8, which requires formal written approval from the landowner before funding can even be applied

Chapter 2.

The Importance of Place

for. And the fund only covers the cost of planting in verges and other 'soft' spaces, not the higher cost of planting trees in the 'hard' surface of streets – which is precisely where greenery provides the most benefits.

Left behind places struggle to meet bureaucratic funding requirements

In Chatham, The Arches Local (see case study) hoped to apply for the Urban Tree Challenge Fund and to plant some trees to improve their neighbourhood. Their first plan was to plant trees on their local streets, but the fund would not cover the cost of installing trees in the concrete surface. Their second choice of locations was on several green verges nearby. They were able to match fund the costs in part with capital from their Big Local Funding, and in part through volunteer labour to maintain the trees. But despite having completed the application form, associated spreadsheet and drawings, and secured permission in principle from the landowner, they were unable to get the landowner to complete the relevant part of the form in time and so were unable to apply. Fortunately, they were ultimately able to partner with local organisations and volunteers to plant 31 trees in and off the streets of Luton in Chatham to mark National Tree Week in 2020. During the February 2021 half term, Arches Local also installed three cherry trees and two pear trees at a local primary school with no discernible tree canopy.

East Marsh United, a community group in Grimsby working with their local councillors, MP and council officials had hoped to plant trees along a run-down street to green the heart of their community – an area which the UTCF map[31] identifies as a priority area with high levels of deprivation and very low canopy cover. The group were happy to match fund the application with volunteer labour to maintain and care for the trees. The local council, as the landowner, was happy in principle for trees to be planted along the street. However, additional funding was needed to pay for planting in a hard surface. East Marsh United were not able to secure this, and so council governance processes prevented them from giving formal section 8 approval for the application.

Tree planting initiatives by charities Groundwork,[32] Save our Street Trees,[33] Trees for Cities[34] and the Create Streets Foundation[35] have demonstrated communities' appetite for tree planting, especially in urban areas' - and shown that local people engage particularly readily with street greening and tree planting projects. The response from local people is overwhelmingly positive, and as most expensive element of planting trees is the three years subsequent maintenance, being able to match funding with community volunteering is also an important efficiency gain.[36] Initiating street and neighbourhood regeneration by adding trees and greenery can therefore be a powerful way to activate communities and kickstart positive change, and an efficient way to leverage investment.

The Urban Tree Challenge Fund should be extended for another four years, with the target of increasing canopy cover of recipient local authorities by 10 per cent by 2025. Funding should be increased from the current level of £837.45 per tree (including three years maintenance), to cover the higher cost of planting in the hard surface of streets and to ensure that planting can include a diverse range of tree species, as called for by The State of The World's Trees Report.[37] The requirement to secure formal permission from landowners before applying should be relaxed.

Policy proposal vi: ensure levelling up programmes and funds include support for micro interventions with appropriately minimal bureaucratic requirements

Overlooked and underutilised green spaces abound, particularly in left behind places, and should be prioritised as areas for quick wins that repair the urban fabric. Tools for activating existing green space include:

- Tactical urbanism – such as parklets or street benches. By giving a small space over to a community group and allowing the users of the space to determine its function, the resulting change is more likely to be sustainable.

Parklets in Hackney

After being refused permission to rent a parking space outside her home to create a micro-park for local people to meet in, Brenda Puech, who chairs the Living Streets group in Hackney, set one up anyway. Brenda's parklet was hugely popular with local people – especially children – and

generated national media interest.[38] In response, Hackney Council changed its policy to support more parklets being created by the local community.[39]

- Edible urbanism. Edible planting and educational signage make pedestrians active participants and stewards of their environment. Edible planting provides opportunities for learning, play and cooperation and instantly activates underutilised spaces pedestrian footfall.

The Edible Bus Stop[40]

Starting from a community guerrilla gardening initiative, the first Edible Bus Stop pocket park was opening in 2013 in Landor Road in the London Borough of Lambeth. Community gardeners transformed an overlooked patch of green grass behind a bus stop into an edible pocket park and urban orchard that ties together the heritage of the area as a significant WW2 site and need for accessible public space.

Chapter 2.

The Importance of Place

Incredible Edible in Wigan

In Wigan, the council has partnered with Incredible Edible to support local people to grow fruit, vegetables and herbs in communal areas across the borough. The projects are as much about bringing people back together following the social isolation of Covid as they are about repurposing underused spaces to grow healthy food.[41]

- Temporary installations. Temporary uses are quick wins that spark conversation about previously overlooked spaces and encourage people to see the potential in small spaces as more than just patches of grass or tarmac.

Greening backstreets and alleyways

Various councils, and the charity Groundwork,[42] **have supported local communities with small grants of around £6,000 to use small, simple plantings to turn run down back streets and unused spaces into attractive green spaces**[43]

These sort of micro-scale projects have proved to be an excellent way of improving places quickly, while bringing communities together and providing healthy, low-cost food for local people.[44] Our evidence suggests that these projects are particularly suited to left behind places, where small bits of underused land are often readily available and have less immediate development value than in more prosperous neighbourhoods. To make the most of these opportunities, local and national policy makers and funders must recognise that such small-scale interventions merit less bureaucratic processes and lower levels of evidence than larger projects. This is especially true where local communities are proposing to make use of otherwise neglected spaces and assets, as the opportunity cost of allowing more open, flexible processes to apply is effectively zero.

Policy proposal vii: provide and steward high quality parks and green spaces

Green spaces in urban areas are particularly valuable. Research has estimated the wellbeing and health benefits of access to local parks is worth over £34 billion per year to the UK adult population.[45] Despite this, provision is patchy. Left behind places are often particularly poorly served. According to the Green Space Index, 2.69 million people live more than a ten-minute walk from a local park and the quality of many of those spaces suffers from under funding and development pressure. Areas in the lowest 20th percentile of green space provision have populations that are 10% more deprived than average.[46]

Existing green spaces should be viewed as vital infrastructure and be properly funded, maintained and future-proofed. Independent legal protection of these spaces in perpetuity as advocated by Fields in Trust is a well established mechanism for safeguarding these vital, but non-statutory services, that come under more pressure in left behind places than those in more affluent areas.[47] The standard targets for green and play space provision should be updated to reflect the latest evidence on the importance of access to green spaces, as set out in the latest Fields in Trust guidance.[48] This sets out detailed benchmarks for the quantity (in hectares per 1000 people), proximity (in walking distance from homes) and quality of the different types of green space, play grounds and sports pitches. It should be a central goal of the levelling up agenda that every neighbourhood in the UK should meet or exceed these minimum standards, and levelling up funds should be targeted at ensuring residential areas in left behind places do so – particularly the all-important standard that everyone should be able to walk to a decent park or green space within ten minutes. Given the importance of access to well maintained green space for health and wellbeing there is a strong case for raising this to a five-minute standard: there are currently 8.7m people living more than a five minute walk from a park or green space, including 265,785 people in the 225 most left behind wards (out of 7220), as measured by the Community Needs Index.

Many of our case studies described making rapid, low-cost improvements to local green spaces to improve their usefulness for the community during the pandemic. For example, both Arches Local in Chatham and Acts of Random Caring CIC in Wolverhampton installed seating and bins within existing local green spaces. York Hill estate in County Durham features limited green space, which was under-used prior to regeneration. Livin HA worked particularly closely with residents to co-design the future of these spaces as part of the regeneration of the estate, providing scope for these spaces to be continuously improved over time, and supporting community volunteers to apply for grant to fund these improvements.

The government must ensure adequate funding for local authority parks services to achieve the existing provision, proximity and quality benchmarks. Ensuring that everyone in left behind neighbourhoods can walk to decent green space within five minutes should be a focus of levelling up funding. Councils and other owners should place parks under permanent legal protection to preserve them for their communities.

Protecting parks

Liverpool City Council took a pioneering decision in March 2021 to protect all 100 park and green spaces across the city in perpetuity in partnership with Fields in Trust. This strategic action recognised the long-term value of parks and green spaces to health, wellbeing, climate change and the local economy, and was positioned as part of the wider Covid-recovery plan.[49]

Creating new parks may often be appropriate, particularly in those places where provision is currently poor, and where local authorities are responding to economic change with strong visions for improving their town centre environments, but reviving existing spaces can be just as important. Reopening urban rivers buried under concrete or cut off from town centres by the legacy of heavy industry is also an exciting option for many left behind places – especially in the context of major changes in land use made possible by deindustrialisation and new retail patterns. In some places, it makes sense to replace outdated big box stores, shopping centres or industrial buildings with open space and parkland.

Chapter 2.

The Importance of Place

For instance, Stockton on Tees council has published a visionary plan to do both, by replacing an outdated shopping mall with a public park, reconnecting the high street and town centre with the riverside.[50]

Urban parks and green spaces

Heeley People's Park in Sheffield was created in 1997 when the local community came together to take ownership of some derelict land that had been blighted by potential road projects for decades. It is now the largest community-run park in the UK – paid for by local businesses and residents.[51]

Ridgehill Enterprise is a social business, supported by Big Local, in Stalybridge, Manchester, which has a 25 year lease for the Stamford Boating Lake and Chadwick Dam. Their vision is to re-develop these areas of natural beauty to create a community nature reserve for all, with a focus on tackling loneliness and inactive lifestyles. Boating has returned to Stamford Boating lake with all proceeds raised going back into the community. The Chadwick Dam area is being rejuvenated, enabling fishing, walking and family picnics in area of natural beauty. Schools and colleges volunteer to help with litter picking and grounds maintenance. Local trades people do maintenance and improvement works at reduced rates in return for advertising space. Ridgehill Big Local Holiday Camp provides an outside space for up to 40 young people from the ages of 5 to 12 living within an area of high socio-economic deprivation.[52]

The economic and social value of green space is just as potent on a larger scale. Local and particularly regional authorities should consider opportunities to create entire new parklands as part of regeneration strategies, as a coalition of German authorities did in the 1990s and the West Midlands is planning now.

New regional parks

Seventeen cities came together to create a new regional park in the ex-industrial landscape of the Ruhrgebiet. Emscher Park included a huge new lake, transforming the post-industrial environment, improving access to nature, and creating opportunities for higher-value housing development which has been instrumental in the economic revival of the area.[53]

Adopting a similar vision, the West Midlands National Park is a 30 year spatial plan and catalyst for the transformation of the region that will span more than seven cities, and create hundreds of miles of green space, conservation areas and new cycle routes. Backed by Birmingham City University, Mayor Andy Street and the West Midlands Combined Authority, the plan demonstrates the potential for devolved government to create major new green spaces embracing industrial heritage, nature and urban development.[54]

3. Connect communities

The chance to humanise and green streets presents a massive opportunity to improve left behind places permanently and relatively quickly. But levelling up the proportion of urban space available for non-car uses must of course be combined with positive investment in better transport options, to make lower car use an affordable and attractive option in places where cars have become the only truly reliable transport option.

Most left behind places suffer from poor connectivity, both to national transport networks and within and between local places. Poor connections between left behind places and major cities, and within all the English regions apart from London and the south east, are a major brake on productivity: if the towns and cities of the north were as connected as those of the south east, it would constitute the sixth largest economy in Europe.[55] The UK2070 Commission called for a 'revolution in connectivity' to create a seamless transport network, operating across three levels: intercity; city-regional; and what they term 'across the urban-rural continuum'. This last zone contains most of the post-industrial and costal towns, isolated villages and peripheral suburbs that are the most left behind, and where social mobility is the lowest.[56] We agree with the UK2070 Commission that while the transport system must be integrated and connected at all levels, it is these places that stand to benefit the most from more and better transport investment.

Clearly improving transport provision and its accessibility to all parts of the community must be a critical part of levelling up[57] – but there are risks too. Government has a tendency to favour big-ticket transport infrastructure aimed at improving commuting between large cities, and the rhetoric of connectivity and opportunity can easily imply that transport is there to enable people to escape from left behind places to somewhere more prosperous. This ignores the more varied travel needs of local communities, and can leave left behind places more excluded and even damaged by roads and railways cutting through them.

Transport investment aimed at levelling up left behind places must therefore focus on improving people's ability to travel around and between local places – reversing the planned dependence on private cars as the primary means of transport outside of major cities, which contributed to many places becoming left behind in the first place. The Beeching cuts of the 1960s closed half of the rail stations in left behind wards, leaving the 40% of households there without access to a car increasingly reliant on increasingly unreliable bus services.[58] Given low levels of car ownership and poor alternative public transport provision in many left behind places, buses are often the last line of defence for a community's basic connectivity to jobs, services and other opportunities outside the immediate neighbourhood.

Chapter 2.

The Importance of Place

New bus routes responding to local needs

Ambition Lawrence Weston collaborated with local employers to set up a private shuttle bus, to compensate for the lack of public transport locally and the difficulty many local people had with getting to their jobs. Supported by two years of funding from the Coastal Communities Fund, the private shuttle bus demonstrated local demand for a bus service, and ultimately convinced local provider First Bus to run services through Lawrence Weston. A private shuttle bus still exists for shift workers who need to travel outside the First Bus timetable, funded by private investment.[59]

Policy proposal viii: promote the replacement of out-dated 'predict and provide' transport planning models with those that support better place making and sustainable mobility throughout planning, development and regeneration processes

Many of the failings of the existing system stem from the outmoded methodologies and assumptions embedded in the models used for planning transport provision. These systematically over-value marginal improvements in intercity commuting times and peak hour car journey speeds, while undervaluing non-commuting travel, health and environmental outcomes. Many people who live in left behind places are largely ignored by standard models, precisely because they don't travel much, or do so in a limited way, outside of peak hours or for non-work purposes, and therefore don't get recorded in transport surveys.

The levelling up agenda must embrace and accelerate the real but glacial movement of national policy in the direction of people- and place-sensitive design and investment.[60] The overall approach of transport planning needs to switch from the outdated 'predict and provide' model to a 'vision and validate' one based on deciding what we want to achieve as an outcome, and then designing for it.[61] This approach can not only deliver much better outcomes for places, communities and the environment – it can make major cash savings as well.

Beyond 'predict and provide'

A major mixed-use development[62] at Silverstone, Northamptonshire, was originally granted planning permission on condition of a conventional highways site mitigation plan for £25m road works. A new application used a model focused on mobility (rather than just transport), to create an environment where people move at the pedestrian scale and so encourage more sustainable choices. This approach prioritises the highest capacity and most efficient forms of mobility, starting with virtual mobility (homeworking and teleconferencing), then active travel, then car-pooling and public transport, followed lastly by single occupancy car movement. The revised scheme actively discourages unnecessary trips by locating trip-generating activities onsite, and requires only £5m of offsite transport spending, allowing funds to be redirected towards other measures to spread the peak demand for roads, and enable walking, cycling and bus use instead.

Policy proposal ix: commit to providing light rapid transit systems for all cities and larger towns in England

Many left behind places have pre-Beeching rail lines that could be reopened.[63] The government has created a £500m Restoring Your Railway Fund to support reopening some of these – but this fund is subject to the standard HMT appraisal methodology, which systematically disadvantages left behind places.[64] Others are still served by underused parts of the existing rail network. Both reopened and underused lines could be harnessed for light rapid transit, connecting towns to each other, like the 'SwiftRail' proposal for towns in Hertfordshire[65] and Gloucestershire[66] The UK2070 Commission has called for light rapid transit systems for all cities with a population of 175,000 – which would include places like Teeside, Blackpool, the Medway Towns and Wigan.

Policy proposal x: review the regulations on utilities and HMT rules on procurement with the intention of significantly lowering the costs of new tram systems

Tramlines are a sustainable, efficient way to connect neighbourhoods and town centres while actively improving the livability of urban streets – especially when combined with trees and greenery.

Installing new tram systems in the UK has been seen as an expensive option, largely due to the requirement to reroute utilities, and higher tendering and appraisal costs.[67]

Policy proposal xi: prioritise R&D and transport innovation funding on relatively low-tech transport systems for connecting towns and suburbs

In addition, new lightweight technology, being developed in Coventry, promises to reduce the average cost per kilometre for the system to £10m ($12.14m), far less than the £35m-£60m per kilometre for conventional systems.[68] This makes them far more suitable for smaller towns and more peripheral parts of larger conurbations – as many European cities have demonstrated (eg Aarhus, Grenoble)[69] - and could make a real difference to left behind places within reasonable time frames.

Policy proposal xii: commit to delivering a comprehensive national bus network, connecting every neighbourhood with regular and reliable services, at a flat £1 fare

Buses are by far the most widely used form of public transport in left behind places, but these places have also seen bus use decline faster than other areas, probably due to a continued decline in both commercial and subsidised bus provision. Reversing this decline requires strong government commitments to future local bus funding, alongside that promised in the National Bus Strategy, and a move to a single, ring-fenced, multi-year funding framework for local transport authorities to provide increased certainty.[70] Giving local and devolved authorities greater power over bus franchising will allow them to specify cheap multi-operator fares which would be hugely beneficial to left behind places and deprived groups, which

Chapter 2.

The Importance of Place

currently suffer a poverty premium from paying extra to travel across cities on different bus companies.

Buses are also the most viable option for connecting rural communities to public transport networks. CPRE have proposed a complete national bus network, modelled on the Swiss and German ones, that would provide a bus to 'every village, every hour'. This is estimated to cost £2.7bn per year in subsidies at current fares, £3bn at £1 flat fare, or £3.5bn if the service was free to all users.[71] A government pledge to connect all of England's towns and village on this scale would be a dramatic step towards genuinely levelling up the entire country, and a signal that the levelling up agenda is serious about bringing opportunity and prosperity to our most left behind communities.

Policy proposal xiii: ensure levelling up funds are sufficiently flexible to allow proper integration of investment in street improvements, transport facilities and wider regeneration

Transport facilities should not be drab, functional services designed to enable people to get away from places – they are critical features of places themselves and must be designed accordingly. Local and regional services should be integrated with active and shared transport facilities, like car and bike sharing, at multi-modal hubs[72] located at the biggest attractors of people: town centres, stations, hospitals and universities. Mobility hubs should be beautiful, well designed places that can act as focal points for community life, and also provide ideal locations for other public services and community functions like receiving and sending deliveries, workspaces, cafes and retail space, so as to create more self-contained developments. Properly planned regeneration of town centres and high streets, as discussed in the following chapters, should ensure proper integration of new and existing transport and mobility services as part of holistic place-shaping efforts.

4. Liberate movement

Walking remains the single biggest form of local transport, and cycling rates have increased dramatically in recent years. Improving the quality of left behind places must incorporate more high-quality provision of routes for active transport – from better pavements and road crossings to properly interconnected cycleways. The government should build on the success of its Emergency Active Travel fund, which as our research showed has been particularly targeted at left behind places, by supporting efforts to liberate valuable town centre space from car movement and parking, and reallocating it to active travel uses that generate more economic activity.

Relocating car parking to the edge of town centres

As part of Wigan's regeneration plans, a new car park will be provided on the edge of the town centre, with existing car parking space across the town centre repurposed to enable more sustainable transport through electric charge points and bike racks, connecting to new cycling routes between the town centre and neighbouring residential areas.[73]

Policy proposal xiv: fulfil the Prime Minister's promises to launch Active Travel England by the end of 2021, and give it the full £5bn budget required to meet the objectives of the government's Gear Change strategy

In July 2020 the Government published its strategy for active travel, the impressive and aptly named Gear Change: a bold vision for cycling and walking, and announced the creation of a new commissioning body and inspectorate, Active Travel England.[74] This body will hold the budget for active travel measures – and will claw funds back from councils that fail to deliver high quality infrastructure for cycling and walking, an important measure for changing the incentives on highways departments and local politicians. However, this strong statement of intent has not been backed with sufficient investment, as neither the new body nor the £2bn over five years promised by the Prime Minister has yet materialised – and the current one year budget represents a reduction on the previous year to only £257m.[75] As the government's own assessment noted, even the projected budget will only go 40% of the way to meeting the target of doubling cycling by 2025 and "substantial further investment" would be needed.[76] At a minimum, therefore, the active travel budget for the CSR period should be increased to the £5bn these figures imply.

Policy proposal xv: legalise the use of private e-scooters on public roads

Electric bikes and e-scooters are potentially far more transformational for places than electric cars, as they offer cheap, flexible transport for short journeys without the need for large amounts of new infrastructure, and at a very low carbon cost.[77] Larger urban centres are already developing e-scooter hiring systems, and the early evidence is that these are well used, popular, and reduce dependence on cars for short urban trips.[78] But for smaller and more peripheral places privately owned e-scooters are far more viable. More and better cycle lanes, parking and storage facilities will clearly help, but the main barrier is currently legal: the government should move quickly to remove the absurd ban on e-scooters using public roads, as called for by the Transport Select Committee. E-scooters should be treated like e-bikes in regulatory terms, with no licensing requirement and a prohibition from riding on pavements.[79] Introducing 20mph speed limits in urban areas (see proposal ii) would greatly improve the safety of e-scooters, and reduce their use on pavements.

Policy proposal xvi: deliver on the promise to establish a national e-bike support programme of 'loans, subsides or other financial incentives'[80]

E-bike sales are growing rapidly, and are beginning to transform delivery services and other business transport, as well as personal mobility. Evidence from other countries, from Scotland and from the Channel Islands, shows that e-bikes can make cycling a realistic choice for social groups and in places that have previously proved resistant.[81] A recent study from Norway (where the cycle share in winter is only 1 to 2 percent of all trips, and up to 8 percent in summer) shows that people who purchased an e-bike

Chapter 2.

The Importance of Place

increased their bicycle use from 2.1 to 9.2 km per day on average, representing change in bike as share of all transport from 17 to 49 percent. The main barrier to increased take up is cost: while far lower than the cost of a car, e-bikes still represent a significant outlay for households or businesses considering shifting from motor vehicles to e-bikes. There is a strong case for temporary public support to help get this new market going and support consumers in shifting to e-bikes.

Levelling up funding and place improvement plans should seek to include active travel projects that can overcome practical and perceptual barriers to cycling in by communities in left behind places – like the community bike repair services set up by Acts of Random Caring in Wolverhampton; Giroscope in Hull; or Big Birmingham Bikes, which gives out free bikes to people lining in the most deprived parts of the city.[82]

Community cycle hubs

Started in 2010, Bike for Good Glasgow now run a network of cycle hubs throughout the city which work to promote the social and health benefits of cycling and broaden its appeal to all ages and abilities. The hubs provide a focal point for the local community, improve access to a sustainable mode of transport and offer a range of services including bike maintenance, affordable bike rental and free cycle classes.

Policy proposal xvii: offer freedom passes to jobseekers in all areas eligible for levelling up funding

Transport improvements are not just about infrastructure – and some of the most efficient and effective interventions focus on improving people's ability to access transport options, as evidenced by the success of the £600m Local Sustainable Transport Fund of 2011-15. This provided relatively small amounts of capital for local infrastructure projects, but also revenue spending for marketing and information services, start-up subsidies for bus and rail services, bus service improvements, car clubs, bike hire schemes, and targeted fares reductions like Nottinhham's Job Seeker Kangaroo card. This provided unlimited day travel on all the city's transport services for the unemployed, to broaden their travel horizons and enlarge the areas where they could look for work.[83] In a similar vein, Demos has proposed a 'jobseekers travel pass' that gives free travel within a wide commuting area for everyone eligible for jobseekers benefits.[84]
programmes-investment-planning-guidance

Chapter 2.

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Hastings Commons

Local authority:	Hastings Borough Council (Labour)
Ward:	Castle - Judy Rogers (Labour) Claire Carr (Labour)
Constituency:	Hastings and Rye - Sally-Ann Hart MP (Conservative)
Type of neighbourhood:	White Rock, a mixed-use neighbourhood joining Hastings Rail Station to Hastings Beach

Hastings Commons

Background

A historic maritime and fishing town, Hastings began to develop as a seaside resort in the late eighteenth century and continued to thrive into the early twentieth century. Many distinctive buildings and well-loved public spaces were created during these years, including Hastings Pier in 1872. Like many coastal towns, Hastings was then hit hard by the growth of foreign tourism from the 1960s. The following decades brought new manufacturing and services employment to Hastings, but this did not fully compensate for the impact of the decline in tourism on the local economy, and many office block projects were poorly thought out. Today, Hastings is the thirteenth most deprived Local Authority area in England,[1] with higher rates of unemployment, lower average wages and a weaker local skills profile compared to the rest of the South East.

Despite its relative proximity to London, Hastings also has fairly poor transport links with the capital. A direct train from London Charing Cross to Hastings takes around 1 hour and 45 minutes, and the A21 leading to Hastings is in need of maintenance and improvement. Local organisers we spoke to were ambivalent about current transport provision, seeing this as an important factor in Hastings having preserved an independent identity and avoided becoming a dormitory town for London workers.

Notwithstanding these economic and infrastructure challenges, Hastings offers a good quality of life, with ready access to exceptionally rich heritage and natural assets. The town borders 8 miles of coastline to the south, the High Weald Area of Outstanding Natural Beauty to the north, Combe Valley Countryside Park to the west and Hastings Country Park to the east. As well as the ruins of

Hastings Castle, Hastings town centre includes hundreds of Grade II listed buildings originating from the mediaeval period onwards – though some of these have been poorly maintained in recent years.

House prices and land values are low compared to average figures for the region, though both have been increasing more quickly in Hastings over the last decade, driven partly by an increase in Buy to Let investment. Many new landlords have converted larger, older properties in the town centre into HMOs or smaller flats, often creating poor-quality, high-turnover housing in the process. Hastings' relative proximity to London, and relative affordability compared to London and its immediate vicinity, has also long attracted people from the capital looking for a more affordable place to buy or rent a home to live in. Private housebuilders have often preferred to develop new housing on the outskirts of Hastings, often not well-connected to community facilities and other services, not built to the highest standards, and at prices unaffordable to many local people.

More people have been moving from London to Hastings in recent years as the capital's housing affordability pressures have intensified. The outbreak of the pandemic has seen a further spike in newcomers from London, driven by growing economic pressures on the one hand and the desire for more space, and perhaps also a better life, on the other. Even before Covid-19, many local people worried they could be pushed out of Hastings by rising rents and house prices, and local young people faced particular challenges from declining job security and quality. A visible increase in street homelessness recently has added to this sense of crisis in the local community.

Projects

While Hastings has seen new housing and employment space developed in recent years, many town-centre buildings have fallen into disrepair and now sit empty or under-used, feeding a sense of neglect amongst local people and visitors. The Observer Building on Cambridge Road demonstrates the troubling dynamics at play. Formerly the headquarters of local newspaper the Hastings Observer, the Observer Building closed for business in 1985, taking 500 jobs with it. The building quickly fell into serious dereliction.

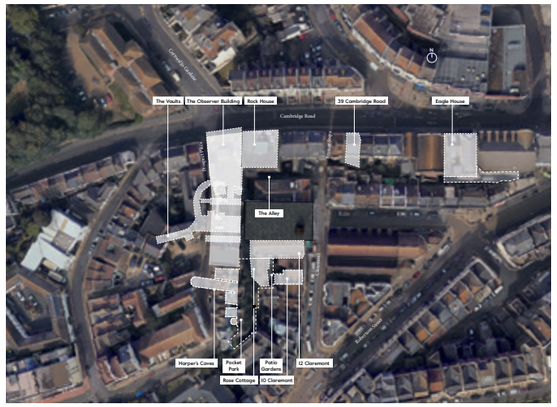
Over the next 30 years, the Observer Building changed hands 13 times and had 10 different planning permissions approved on it. In each case, the approved plan was not delivered, but was used to trade the building on for a profit without improving it. In one case, the approved plan was not even technically deliverable, but this did not prevent the owner profiting from the unfulfilled promise of development. One local organiser we spoke to described this process powerfully as "the farming of dereliction".

Dismayed by the failure of existing mechanisms to make the most of local spaces and buildings, and inspired by the long history of communal ownership and action to improve life in Hastings, a group of local organisations co-ordinated as Hastings Commons, to start bringing such buildings, as well as other neglected and underused spaces in the White Rock neighbourhood, into community ownership and control. Hastings Commons is made up of ten core member organisations, driven by shared values but each bringing different skills, specialisms and resources to the table. For example, Jericho Road Solutions and Meanwhile Space have acted as investors; White Rock Neighbourhood Ventures have acted as developer; Hastings Building Services as builder; Living Rents as housing manager; and Heart of Hastings Community Land Trust (CLT) as the intended long-term owner of the partnership's assets.

Hastings Commons has focused its activity within a tight geographical footprint, with the aim of creating an enclave of community-owned assets that can demonstrate the value and power of community-led activity for Hastings and beyond. As one local leader put it, "The neighbourhood itself is increasingly seen as, and acts as, an enterprise, and individuals within it as entrepreneurs and contributors rather than recipients, consumers or beneficiaries." Ownership of Hastings Commons' various assets is split between its member organisations, but these assets are managed using shared rent, allocations and other policies in pursuit of a shared vision. Commercial rents were set at low to mid-range market levels in 2015 and have since then increased in line with inflation. Residential rents are set at around a third of median local incomes and also increase with inflation.

[1] Index of Multiple Deprivation, 2010

Hastings Commons



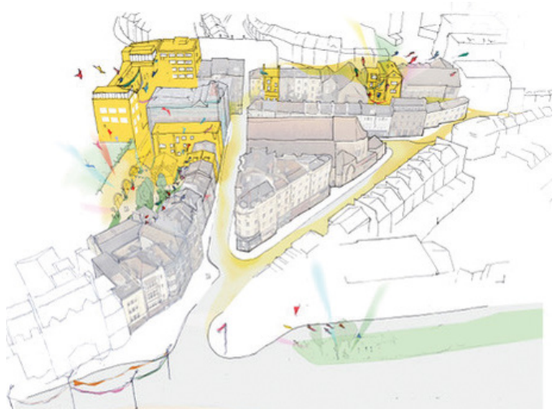
Initially finding themselves unable to take over the troubled Observer Building, what is now the Hastings Commons started with the building next door, purchasing Rock House for £276,000 in October 2014. Today, Rock House offers six capped-rent flats, a community kitchen and 940 square meters of workspace, hosting 45 small businesses. White Rock Neighbourhood Ventures owns the freehold. Acquisition, repairs and renovation costs came to £1 million, but through careful project management and a phased, floor-by-floor approach to development and occupancy, the project had broken even by March 2018. By the time renovation works concluded in July 2019, Rock House was profitable and was valued at £1.6 million. With minimal debt on the building, Hastings Commons now had an asset they could use to secure finance for further property purchases.

The group's second purchase in 2019 was the Observer Building, which is now in the process of being transformed to provide 2000 square meters of workspace, 16 Living Rent flats and a public roof garden and bar. White Rock Neighbourhood Ventures owns the freehold. Heart of Hastings CLT owns the freehold at 39 Cambridge Road, and also holds 12 Claremont Street on a long lease from East Sussex County Council. These buildings provide a mix of Living Rent homes, live-work spaces for local artists, and a gallery. Jericho Road Solutions owns the freehold of the Rose Cottage, offering 2 artists' studios, a classroom and a common room. Hastings Commons have not stopped at rehabilitating neglected town-centre buildings; they have also purchased several caves and created a pocket park in an alleyway that is not owned by anyone or adopted by any authority - all adjacent to the buildings they have set about transforming.

Hastings Commons squeezes its projects for maximum social impact for local people, providing homes, workspace, meeting space and leisure space at rents affordable to local people, and hosting, organising and running a huge range of activities. Hastings Commons' activities have a strong focus on bringing together long-time and newer residents, and on reflecting the varied priorities of the diverse people that make up the community in White Rock and beyond. Where dereliction of buildings and spaces has had the effect of excluding local people, Hastings Commons seeks to bring the people of Hastings back in through a combination of community freehold ownership and co-design of spaces and activities. Since March 2020, Hastings Commons and its partner organisations have developed more online activities including a live online channel called Isolation Station Hastings to support local people through lockdowns.

Hastings Commons also seeks to train and employ local people on its building and repairs projects wherever possible. Organisers told us this can be more challenging on complex renovation projects like the Observer Building, with large building contractors in particular often resistant to committing to employ local people.

The rapid growth and success of Hastings Commons has relied on the skills and enthusiasm of its member organisations and their leaders. Partnership working, and the development of an ecosystem of local organisations driving change, are at the heart of their approach - but it has taken time to get the right structures and working practices in place. Support from Power to Change has been crucial to overcoming these challenges. Nine members of staff are now employed, split across White Rock Neighbourhood Ventures, Heart of Hastings CLT, Jerico Road and Leisure & Learning – the four core organisations leading the Hastings Commons ecosystem. Individual leaders have also benefited from mentorship, drawing on experiences of community-led change elsewhere.



Investment package

In the early days of its renovation of Rock House, White Rock Neighbourhood Ventures (which later developed into Hastings Commons) had limited access to funding. The partnership drew on the personal equity accrued on one community activist's home to kick-start the project, alongside a grant that had originally been due to be used in Margate or Dover. Since then, Hastings Commons and its various projects have received 69 separate grants and loans. These include funding from grant-making bodies including Power to Change, the Big Lottery Fund, the National Lottery Community Fund, the Co-op Foundation, Historic England, the Architectural Heritage Fund and the REACH Fund. They have received public funding from the then Department for Communities and Local Government, Homes England, Hastings Borough Council, East Sussex County Council and South East Local Enterprise Partnership, as well as from the European Regional Development Fund. Many of these organisations have provided other support together with grant funding, from interest-free loans and help with further fundraising, to support with partnership working and technical advice on how to deliver building works.

Projects have also been supported through loans from Big Issue Invest, Castlestone Investments and others, as well as through a £1.2 million mortgage from Ecology Building Society for the purchase of the Observer Building, secured on Rock House.

The different organisations and individuals which make up Hastings Commons have developed distinct fundraising and investment specialisms over the years, building financial resilience that has served them well during the pandemic. They are well connected with community-based organisations in neighbourhoods around the country and are working on innovations such as a 'neighbourhood investment mechanism' that would make this kind of work easier for everyone.

Arches Local - Central Chatham

Local authority: Medway Council (Conservative control)

Wards: Luton and Wayfield -
Simon Curry (Labour and Co-operative)
Joanne Howcroft-Scott (Labour and Co-operative)
Tristan Osborne (Labour and Co-operative)
River -
Habib Tejan (Conservative)
Piers Thompson (Conservative)

Constituencies: Chatham and Aylesford
Tracey Crouch MP (Conservative)
Rochester and Strood
Kelly Tolhurst MP (Conservative)

Type of neighbourhood: Corridor-shaped neighbourhood formed along a number of main roads to the east of Chatham town centre.

Arches Local - Central Chatham

Background

Just two miles from prosperous Rochester, the two wards covered by Arches Local in Chatham are visibly run down by comparison. Property prices in the neighbourhood are low compared to the average for Medway Council, low for the broader South East region, and significantly more affordable than prices in nearby London. Low prices are caused in part by the poor quality and state of repair of many homes, making access to mortgage finance challenging. Many Chatham residents nonetheless experience significant housing affordability problems, driven by low local incomes and relatively high market rents. Rates of owner occupation have been in decline for decades.

Chatham's relative affordability within the least affordable part of the country has had a profound impact on how the community sees itself and is seen by others, on how existing buildings and assets are used, on opportunities for investment and on changes in the demographics of the local population.

While low property values have discouraged the development of new build homes by private housebuilders, the neighbourhood has seen high numbers of offices and other buildings converted to residential uses through Permitted Development Rights introduced from 2013. The homes created through these conversions have often been used as Temporary Accommodation, reflecting and entrenching the role Chatham has for some time played as a relatively affordable place for local authorities in London and elsewhere in Kent to house homeless households.

Much of the neighbourhood's housing stock is historic terraced housing, significant proportions of which have moved from owner occupation to the

private rented sector over the last 20 years, with high levels of HMO conversions. Many of these homes have been poorly maintained and have fallen into disrepair. The relative affordability of local rents makes Arches Local an attractive place for low-income households from London or other places in the South East. The proportion of households using benefits to pay some or all of their housing costs in the wards covered by Arches Local is more than double the average rate for Medway Council as a whole.

These conditions have made Arches Local a challenged but also diverse and dynamic community, and are some signs of civic pride locally. Over a third of residents are from an ethnic minority, with over half of these not originally from the UK. At the same time, the neighbourhood's increasingly transient population has made the community less stable and less easily defined. 12% of households have no members with English as their main language, compared to a South East average of 3%.[1] The lack of civic infrastructure and places for people to meet locally has long been a barrier to community engagement and community-led action to improve the local environment.

[1] Arches Local, Big Local 4th Year Plan, (June 2019), p.5
[2] Ibid.

There is a need to improve the local environment on multiple fronts. Beyond poor-quality housing and a lack of places for people to meet, the Arches Local neighbourhood suffers from a poor retail offer, with no low-cost supermarket open to purchase groceries after 7pm. Just under half of households have no car, yet public transport is poor and the local neighbourhood lacks good walking and cycling infrastructure. Situated along a number of main roads, the community lives with high levels of air and noise pollution.

Significant problems with fly-tipping and poor local bin provision contribute to a strong sense of neglect. In recent years, Medway Council has removed street trees rather than maintaining them. Long-standing residents express concern about the impact of so much litter on the streets on newcomers' expectations of and for the area. The neighbourhood benefits from Luton Millennium Green Park, a much-loved local green space which has been a lifeline to many during the pandemic as a space to safely meet and exercise, and of which local people are proud. However, overall the local environment in and around Arches Local entrenches the major challenges facing the community, including obesity, poor health outcomes, low expectations and poor educational attainment. Rather than "left behind", Arches Local organisers see their community as kept behind by the local environment.

Organisers are clear that while the area certainly and urgently needs investment, that investment must be tied to a new vision for the neighbourhood, developed in cooperation with local people to ensure it responds to the real problems they experience and makes the most of the opportunities in the area. Without this new vision for the Arches Local area, increased investment could reflect existing low expectations in and for the neighbourhood, and could make problems worse rather than better.

Projects

In Spring 2012, Arches Local was awarded £1 million from the Big Local programme. The group has used this funding to start defining this new vision for the neighbourhood and to work with the local community to drive positive changes. Since local actors were previously disconnected, Arches Local initially prioritised building trust and relationships between different residents, businesses, schools, Medway Council, housing associations and third-sector organisations.

The group has established a Fit and Fed programme from Luton Primary School, providing nutritious meals and a programme of fun physical activities for local children during the school holidays. The scheme has been hugely popular, bringing together children from different families and cultures in a positive setting. It has been supported by Medway Sport, Olympia Boxing CIC and Street Games, amongst others. Inspired by this success, the local authority and other organisations have since rolled out the scheme in other Medway neighbourhoods.

Arches Local has also set about improving the local environment. Working with Network Rail, they had a mural painted under the locally-iconic railway arches from which the group took its name, and last year volunteers planted 31 street trees. They also set up a 'pocket park' with seating and bins within Luton Millennium Green in response to the massive increase in the use of the green during the pandemic. It hasn't always been possible to make such improvements. Organisers told us about a local school overlooking

Arches Local - Central Chatham

a drab, concrete wall in their patch. They wanted to paint the main part of the wall a neutral colour with a mural below, but the landlord refused. While the landlord had nothing to lose from having the wall painted, they had nothing to gain either, as they would keep receiving the same rent regardless.

Key to the group's approach is the combination of immediate-payback projects with plans to tackle the most entrenched problems in the community. Arches Local began the process of introducing a Neighbourhood Plan for their community in 2017, with the aim of tackling bad local development that has literally built-in problems in recent years. As of January 2021, the group was perfecting a draft plan including a masterplan, site allocations and a design code for the area, and was preparing to submit it to Medway Council for approval. The process has been rewarding but difficult, and suggests that local systems are not always prepared for all places to set up Neighbourhood Forums. Medway Council had to create a new form so that Arches Local could begin the process, as previously only parish councils had done so.

Investment package

The significance of the Local Trust's Big Local programme in Arches Local's success cannot be overstated. Where the neighbourhood has struggled to access funding from grant making bodies and from public bodies in the past, its £1 million of Big Local funding has allowed it to engage local people, start delivering change and attract match funding. Crucially and somewhat unusually, it is possible to match Big Local funding against other National Lottery funding pots.

The £1 million of funding comes with few strings attached, and with the time and support needed for local groups to engage and involve their communities. This ensures projects are driven by a deep understanding of local people's needs and aspirations, and in turn secures people's participation in those projects. Where some public-sector-led programmes in the past have alienated the community by making access to services conditional, Arches Local is led by residents' priorities and open to all.

The core funding provided by Big Local has been supplemented by other support. For example, Tesco's Bags of Help and Farm to Fork programmes have helped to provide meals for Fit and Fed.

Arches Local also benefits from an army of local volunteers which has grown as the project has developed, expanded and demonstrated success.

Ambition Lawrence Weston

Metro Mayor:	West of England - Dan Norris (Labour)
Mayor:	Marvin Rees (Labour)
Local authority:	Bristol City Council (Labour control)
Ward:	Avonmouth & Lawrence Weston - Donald Alexander (Labour) Jo Sergeant (Labour) Matthew Melias (Conservative)
Constituency:	Bristol North West - Darren Jones MP (Labour)
Type of neighbourhood:	Community of 7,100 people in a residential area 6.6 miles north-west of Bristol city centre

Ambition Lawrence Weston

Background

Lawrence Weston is a largely residential area on the outer northern edge of the City of Bristol, built in the late 1940s and early 1950s as part of the post-war council housing drive. The community benefits from fantastic access to green space, wildlife and nature. However, poor transport infrastructure across all modes, low rates of car ownership, poor public transport provision and road safety concerns make it difficult for many residents to access jobs, health, education and other services. This creates a strong sense that the community is "cut off" from opportunities in nearby Avonmouth and in Bristol city centre, roughly a 50-minute bus journey away.

Private and public service provision within the community has declined over the last 30 years, and particularly since the Great Financial Crisis, in part because local authority budget constraints have led to public service closures and sales of some assets. The community formerly had five pubs, but today all have closed or been converted into housing. The closure of Lawrence Weston College of Further Education in 2010 was a devastating blow, leaving the community with no natural "hub" for civic activity. Lawrence Weston's skills profile is lower than the Bristol average, a problem entrenched by a dearth of accessible education and training opportunities locally. As a result, average incomes are amongst the lowest in Bristol. Health outcomes are likewise below the average for the city.[1]

Around half of homes are owner-occupied, 40% are social rented homes and most of the remainder are privately rented. House prices are low compared to the average for Bristol, but quality and energy efficiency standards are also low; around 70% of households live in fuel poverty.[2] The community's

past experience of private new-build housing development has been limited and disappointing, with homes that often did not meet the community's quality and energy-efficiency needs, nor come with investment to expand local services and infrastructure. Over many years of economic and social decline, Lawrence Weston has been the target of successive regeneration programmes, but these have not transformed the community's opportunities in the ways hoped for or needed.

Big Local and community energy

In Spring 2012, Ambition Lawrence Weston was awarded £1 million from Big Local. Lawrence Weston's experience of Big Local funding has been more positive and empowering compared to previous programmes, above all because of the opportunity for the community itself to lead and deliver plans according to local people's priorities, and take advantage of local assets and opportunities not recognised by other past parties or funders. ALW's first activities were to train residents to knock on doors and deliver a community consultation exercise. This reached more than 1,200 residents, and the results drove the new group's plans.

Aware that Big Local investment would not last indefinitely, Ambition Lawrence Weston developed an early focus on achieving economic sustainability and a long-term legacy for the community, while also delivering new services to meet neglected community needs. The development of a community energy business, Ambition Community Energy CIC, has been central to this. Backed up by revenue from the Government's "feed-in tariff" scheme on the one hand, and cost-free access to land owned by Bristol City Council on the other, the Bristol Energy coop (in which ALW has a half share in profits) began generating electricity at Lawrence Weston Solar Farm in 2016. This now generates a small return of c.£25,000 p.a. for ALW, transforming under-used land in an area of low values for the benefit of the local economy.

Ambition Community Energy CIC (owned by ALW) is now developing a community-owned wind turbine project on council-owned land. Planned to be operational by spring 2022, the wind turbine will generate enough low-carbon electricity to power 3,500 homes, while also generating annual revenue of at least £50,000 to fund Ambition Lawrence Weston's community projects, including a planned renewable energy and modern methods of construction skills academy from the new proposed community hub building – all without subsidy or feed-in tariffs.

The greater Bristol area benefits from an extensive and committed network of organisations promoting, supporting and delivering sustainability improvements, including Bristol Energy Network and Bristol Energy Co-op. Ambition Lawrence Weston has accessed finance, advice and skills from this network, and has fed learnings and knowledge back in, for example through membership of Bristol Green Capital Partnership.

Government reluctance to allow new on-shore wind farms means that all such proposals must now be approved by the Secretary of State. This has made opportunities for on-shore wind farms more difficult to realise, but it has also increased the value of the community's support for a wind turbine in Lawrence Weston, which helped the project secure the necessary Ministerial written statement. As organisers put it, "Our assets aren't capital; it's the community's influence on land use and on planning decisions." Ambition Lawrence Weston has supported the community to leverage its influence on the planning system across multiple projects, and worked with the community to develop a Neighbourhood Development Plan, adopted in 2017.

Organisers are pessimistic about the opportunities for the community to influence decisions through the new system proposed in the Government's Planning for the Future White Paper, published in August 2020. They emphasise that the ability to influence decisions at application stage has been vital for motivating busy people, often dealing with poverty, health problems, caring responsibilities and extreme social disadvantage, to get involved in the planning system. Opportunities to influence the planning system at the Local Plan stage may be too abstract to mobilise many local people – particularly as Lawrence Weston itself may not be a high priority for plan-makers working across a major city: "The Local Plan is not that local if you live in Lawrence Weston". Organisers also expressed concern about the risk that the Government's proposed Infrastructure Levy would leave Lawrence Weston with fewer resources compared to the local take

[1] Ambition Lawrence Weston, Lawrence Weston Community Plan: The Way Forward 2018-2023, p. 30
[2] Ibid., p. 52

Ambition Lawrence Weston

from Community Infrastructure Levy secured in the community's Neighbourhood Development Plan.

Reinvesting in Lawrence Weston

One of the largest community energy companies in the country by capacity, Ambition Community Energy CIC will sell its energy to the National Grid to fund social projects in Lawrence Weston and the neighbouring ward.

The list of projects undertaken already (with this and other funding) is impressive. Ambition Lawrence Weston has invested in three new play parks, improved local cycling routes, saved a youth centre from closure, invested in other local youth services and veterinary services and revived a local carnival.

The group also collaborated with local employers to set up a private shuttle bus, to compensate for the lack of public transport locally and the difficulty many local people had with getting to their jobs. Supported by two years of funding from the Coastal Communities Fund, the private shuttle bus demonstrated local demand for a bus service, and ultimately convinced local provider First Bus to run services through Lawrence Weston. A private shuttle bus still exists for shift workers who need to travel outside the First Bus timetable, funded by private investment.

In 2014, the group established a community-led housing group, with the intention to build around 38 new homes for sale and rent at Astry Close. These homes have been designed by Lawrence Weston residents to meet their needs and aspirations, offering higher energy efficiency, space and accessibility standards compared to the current stock of other new housing in the community. The development also aims to attract new residents to the community through the provision of high-quality shared ownership homes.

Ambition Lawrence Weston has benefited from using some of their Big Local funding to fill skills gaps, for example hiring a consultant to demonstrate demand locally for a new supermarket to address food affordability concerns. This ultimately led to the construction of a Lidl on the site of a former derelict school owned by Bristol City Council. The group also paid for a legal opinion to support changing the local housing allocations policy to prefer local people. Residents of Lawrence Weston see this as a strength of Big Local funding over previous regeneration programmes, which often disincentivised or disallowed communities from buying in outside skills in order to keep wealth in the community. For Ambition Lawrence Weston, such well-meaning restrictions would have threatened their ability to deliver on the community's priorities.

Partnership working

Through these and other successful projects, Ambition Lawrence Weston built up trust and a working relationship with Bristol City Council, whose support has been crucial. For example, the Council has provided land for community energy projects, as well as grant and loan funding to support projects. Access to local authority land has sometimes been complicated or slowed down by conflicting priorities. Central government rules, budget constraints and risk aversion have encouraged the Council to seek "best consideration", interpreted as maximum market value, when selling or agreeing new uses for land, though this risks undermining the Council's ambition to support community groups and their projects.

The group has sometimes found it difficult to work with the Council and with other public bodies, such as the NHS, for other reasons. For example, public sector procurement processes are often complex and resource intensive. Ambition Lawrence Weston thought these relationships could perhaps have benefited from guidance for both sides about what to expect from each other.

The lower risk appetite in public bodies compared to the community sector has also led to some frustrating missed opportunities. In 2016, a proposed partnership between Ambition Lawrence Weston, Bristol City Council, Bristol Clinical Commissioning Group and the NHS, would have delivered a new community hub, with offices for local authority staff, a GP surgery and pharmacy and space for Ambition Lawrence Weston's community services (such as debt advice) across three floors. This would have brought health services into an area in desperate need of them, and given council officers a base in Lawrence Weston to replace a recently closed Customer Services Point. The proposed community hub would have combined a range of key services in one building in a prominent area on the high street, helping all three services to reach more local people in need and to benefit from referring between themselves, under one roof. All three partners were initially enthusiastic about the opportunity.

Sadly, the partnership failed. Bristol Clinical Commissioning Group/NHS wanted Bristol City Council to own and have responsibility for the building. Ambition Lawrence Weston agreed, but then found it impossible to progress plans with the local authority, identify senior leadership for the project there, or even to establish a clear point of contact. These delays put the project's funding at risk – including £1.7m from the NHS Transformation Fund and £500,000 from the National Lottery's Reaching Communities Fund. The hub's planning permission ultimately lapsed. Ambition Lawrence Weston now intends to deliver a new community hub independently, with a new planning application now being considered, though this will be on a smaller scale than could have been achieved through the proposed partnership and without the benefit of additional health services for the community.

Ambition Lawrence Weston

Investment package

The significance of the Big Local programme in Ambition Lawrence Weston's success cannot be overstated. While the neighbourhood had accessed previous public investment programmes, such as the Neighbourhood Renewal Fund, Ambition Lawrence Weston found that such funding had not succeeded in achieving lasting, transformational change for the community. By contrast, the freedom the Big Local programme has provided for the community to pursue its own priorities, experiment and take risks has built capacity and confidence locally. Further support has come from Power to Change, whose funding programmes have allowed the group to prioritise capacity building. As a result, the community has been able to establish income streams and delivery models it can use to keep improving their place for many years to come. Ambition Community Energy CIC will continue to provide income from which to cross-subsidise community work in Lawrence Weston long after Big Local funding is spent.

Ambition Lawrence Weston have been successful in accessing funding from a range of public- and third-sector grant programmes, as well as social investment and traditional private investment. Big Local funding has enabled the group to develop its skills and capacity in fundraising over time. The group initially bought in support from a professional bid-writer before building up its own staff's skills. Ambition Lawrence Weston has leveraged these skills to support individuals and groups from the community to successfully bid for small pots of grant funding to pursue their own projects.

Lawrence Weston Solar Farm, owned by Bristol

Energy Coop, received grant and affordable finance from the Bristol Community Energy Fund, and was built on council-owned land at little cost to the project. Finance was also raised through innovative social financing instruments including a community bond offer of up to 5% p.a. returns on investments between £50 and £100,000, and one of the UK's first ISA-eligible community energy bonds. Further money was raised through a scheme charging attendees of Shambala, Bestival and other music festivals to offset their carbon emissions.

The wind turbine project has received grant funding from the Centre for Sustainable Energy, Bristol City Council, the West of England Combined Authority and Power to Change. The project also attracted low-cost finance from City Funds via Bristol and Bath Regional Capital group, and a development loan from the local authority's Community Energy Fund.

Funding for the community housing project at Astry Close has been raised from Power to Change, Nationwide Building Society, Bristol City Council, the National CLT Network, Homes England and the Ministry for Housing, Communities and Local Government. Further funding for other projects has come from MHCLG's Coastal Communities Fund, investment from local employers, the National Lottery's Reaching Communities Fund, SUEZ Communities Trust's Landfill Communities Fund, developer contributions via the Community Infrastructure Levy, the Bristol Port Company and Bristol's Quartet Community Foundation, amongst many other sources.

The creation of a neighbourhood development plan, led by local residents, has helped to improve the quality of new housing more generally. The local authority has built 25 passive-accredited homes, and private developers have improved the quality of the homes they build in response to the neighbourhood development plan.

Lawrence Weston residents are clear about the need for funding to allow their work to expand and to enable other places to adopt similar approaches, but emphasise that this does not necessarily need to come in the form of grants. Projects are designed to be self-sustaining, and could be enabled through expanded access to low-cost finance, ideally at prudential rates.

Chapter 3.
Recreating town and neighbourhood centres

Left behind towns need…. the tools and freedoms to turn declining high streets into thriving centres of community, cultural and commercial life

Policies:

1. **Create Community Improvement Districts for high streets and town centres**

2. **Co-location: use public funds to support places, not undermine them. Co-locate public services and businesses at community hubs**

3. **Planning for town centres. Back town centre first policies and give councils powers to ensure permitted development rights support high street renewal**

Funding:

1. **Support independent stores. Convert Bounce Back Loans to independent high street businesses into grant**

2. **Rescue lost assets. Create a new town centre Asset Rescue Fund to acquire distressed high street assets**

Hidden Levers:

1. **Reform and simplify business rates to support smaller and independent businesses**

2. **Ensure leasehold reform does not undermine the viability of mixed-use regeneration**

Chapter 3.

Recreating town and neighbourhood centres

Thriving places need hubs, hearts and high streets

Town, neighbourhood and village centres matter emotionally as well as commercially. The decline of the traditional high street and other local centres of commerce and community life is at the heart of the experience of being left behind, particularly in towns. It is felt deeply. These are the places that bring people together, where economic activity is most visible and where local residents meet each other and interact. Their physical and economic decline in places over recent decades has been sharply accelerated by the pandemic and is very apparent to local people. It is simultaneously an expression of shifting economic patterns and a potent symbol of communities struggling to adapt to change.

The value of town and neighbourhood centres

'The decline of infrastructure from town centres is felt incredibly deeply particularly in towns that are struggling. If you speak to people in Walsall they feel profound pain at the decline of Walsall. Who do they blame for it? Often, they blame local authorities. They talk about the fact that you have to pay to park, so they go somewhere else. Even when development is taking place, there's very little gratitude for it. There's a profound sullenness. This loss people feel seems to be in towns. People feel different in cities. But when I talk to people in Bishop Auckland, when I talk to people in Walsall, they are absolutely expecting to see an improvement in the material quality of their places over the next parliament.' Gabriel Milland, Public First

From time immemorial, high streets have been a place for communities not just to do business and sell things but also to come together, to socialise, to interact. High streets offer spaces for people to connect with each other, to form relationships, to exchange information and gossip, to set up new networks and associations, even to argue and debate. And they give places a sense of their own distinctive identity. High streets tell the story of a place – partly through their unique physical presence, the history of their bricks and mortar; and partly through the events and activities to which they play host. In short, they are spaces in which citizenship can take place.[1]

Take Back the High Street, Power to Change

By town and neighbourhood centres we do not mean just the traditional retail-dominated high street. Some places lack a recognisable high street, especially where many of their traditional functions are now contained within purpose-built shopping centres. Secondary high streets, village centres, sea fronts or small suburban clusters of shops can all be local centres. Any part of a village, neighbourhood, town or city that serves as a focal point of communal, social, cultural or commercial life is a middle: the place where people go to shop, meet, watch a film or just 'hang out', the place to which visitors instinctively gravitate and which shape their mental perception of a place. Because these places are so critical to the economy, the social life, the image and the self-perception of cities, towns and villages, their decline and regeneration is a vital part of the story of left behind places.

Chapter 3.

Recreating town and neighbourhood centres

Shopping remains a key feature of town and neighbourhood centres, and people's perception of the retail offer is strongly linked to their sense of place. When asked about the most urgent thing that needs improving in their local area, the most popular answer in urban areas is 'good local shops' – though rural residents are more likely to cite transport. Overall, people feel that decent shops and access to fresh air and nature are the most important things to have in their location.[2] The future of town centres was one of the major priorities identified by Wigan Council's Big Listening Project: residents want them to thrive, with a mix of arts, leisure, housing, culture, food, independent shops, craft and makers introduced.[3]

'What's the best thing about this neighbourhood? The green, the local shops, some good bike routes nearby.' Local resident[4]

Too many shops or too few?

The long-term pressures on traditional shopping from out-of-town retail parks to online shopping have been well documented.[5] Successful high streets and town centres are places where people wish to come to meet, to converse, to buy, to sell and to be amused in the process. They performed that role as much in the 12th century as in the early 20th with a rich and varying mix of places to live, to work, to shop, to meet, to eat and to be entertained. However, during the last century with the growth of suburbs, faster transport and the deliberately planned demarcation of business districts and residential zones, high streets started to perform a more purely retail role. Places which rely on one use as opposed to many have always tended to be less resilient to the changing patterns which are an ineluctable part of urban history. This has, sadly, proved to be the case for retail-only high streets as much as coal-field villages.[6]

First came out-of-town shopping centres, following the US model, which were far easier for those living in car-based suburbs than the challenges of struggling onto crowded buses with bulging shopping bags. Britain's first out-of-town shopping centre, Brent Cross in North London, opened in 1976. In some cases, such as Meadowhall in Sheffield (opened in 1990), they were built because labour was available and land was unsuitable for housing due to the demise of industry in the area. Between 1980 and 2000, out-of-town retail space across the UK rose from 11.6 million sq. ft to 49.5 million sq. ft., with the high street share of total retail floorspace declining from 75 per cent to 45 per cent between 1980 and 1998.[7]

New planning rules from 1996 reined in the growth of out-of-town retail and encouraged development within walking distance of town centres, but the 2000s brought a fresh challenge for the traditional high street. The spread of the internet allowed shoppers to rediscover the joys of mail order shopping.[8] Shopping online is easy, quick and often cheap as vendors can be based far from the expensive rents of town centre locations. (Bricks-and-mortar retailers paid £7.2bn business rates in 2018-19 or 2.3 per cent of their retail sales. Online retailers only paid £457m - around 0.6 per cent of their sales[9]). The proportion of retail sales online grew from 2.8 per cent in 2006 to 7 per cent in 2010, 19 per cent in 2019 and shot up in 2020, under the pressures of the covid lockdown, briefly peaking at nearly 33 per cent.[10] This has since softened and is forecast to settle at between its pre and post covid levels at about 23 per cent.[11] British shoppers spend more online than any other European country.[12]

'High streets and town centres have always evolved. Covid has just sped things up.' Great Yarmouth Preservation Trust

The consequence of all this is empty shops. The proportion of space within high streets taken up by shops continues to fall – from 29 per cent in 2012 to 25 per cent by 2017.[13] By January 2020, 10 per cent of shops nationally were empty and this had risen to 11 per cent by July 2020.[14] Data from the British Retail Consortium in July 2021 showed that the number of empty shops had continued to rise. Across the country, nearly one in five units sat empty, with the highest vacancy rate in the North East, followed by Wales and the North West.[15]

More recently, attention has begun to focus on the excessive burden of business rates on retail business, and the apparently perverse strategies of commercial landlords that prefer to leave property empty rather than lower headline rent levels.[16] This is because, thanks to reduced retail demand, many commercial landlords own property that is held at a book value that the potential rental income no longer supports. It is often hard for investors to support change of use to lower rent commercial or other uses, as this materially devalues their portfolios. (In 2019, the top UK property firms and real estate investment trusts reduced the book value of their properties by £2.7 billion – not something that investors enjoy).

Put simply, landlords seek to keep the book value of their property portfolios artificially inflated by preferring to maintain existing rent values even if there are no takers. Agreeing to lower rents would lower the book value of their portfolio – so there is an incentive to tolerate vacancies, especially if there is an expectation that conditions will pick up in the near future. This prices out many start-up business and community-owned business, while many of those who already have leases are often left struggling with unaffordable rents. In one 2017 survey, nearly 70 per cent of small businesses found rent to be unaffordable.[17] 'Upward only' rent clauses (which prevent rents from following markets downwards) and long leases add to retailers' woes.[18] According to a 2019 report on UK leases by BNP Paribas, the length of retail leases remained longer (6.7 years) than the average new lease on all commercial property signed in the United Kingdom (6.3 years).[19]

Chapter 3.

Recreating town and neighbourhood centres

The pandemic has heightened these pressures and added new ones – such as the worrying level of debt that independent high street businesses have taken on. According to the Grimsey Review of High Streets, the independent sector (including small independent retail, hospitality and beauty businesses) has accumulated huge rent arrears and a debt mountain of £2.2bn. This is up from £0.5bn before the pandemic, a five-fold increase – most of it in the form of Bounce Back Loans from the government.[20] The Grimsey Review rightly highlights the risk this poses to the sustainability of small businesses that lack the balance sheet strength to bear such levels of debt.

There are therefore real dangers that the waves of recent retail closures will leave large numbers of high street properties empty, worsening cycles of decline and blighting attempts to regenerate left behind places. Both Wetherspoons and the former boss of Greene King have recently announced plans to buy up pubs, bars and other properties 'at favourable prices'.[21] While positive investment is clearly essential to regenerate left behind places, increased concentration of ownership presents risks for the future diversity of town centres.

The more worrying risk is that the financial incentives on investors may favour strategies of leaving properties empty and waiting for capital values to return – as in the case of the Observer Building in Hastings (see Chapter 4). Even before the pandemic, there were signs that the increasing ownership of high street assets by more distant, financially motivated investors was partly driving the increase in vacancy rates. EG research has shown that high street property owned by overseas investors, Real Estate Investment Trusts and investment management schemes is twice as likely to be left empty as that owned by the public sector or more civic-minded investors (traditional estates, churches, and charities).[22] The data does not reveal the reasons for this difference, but it strongly suggests that these types of investors are less motivated to ensure retail property is occupied and less concerned about the impact on wider high street dynamics than other types of owner.

The case for more town centre living – and some of the risks

This is the context for the debate on how to encourage more town centre living in left behind communities and elsewhere. There are many important reasons to support this. Recycling empty homes makes stronger towns and greener homes and is often cheaper. In addition to the undoubted need for new homes, there are many good reasons for permitting and encouraging the ready conversion of empty buildings into others uses:

- **Stronger towns.** Too many previously flourishing towns have declined into 'no places', with fast roads, semi-derelict areas, unsightly gaps and disused or abandoned public buildings. In short, they lack 'place value.' Multiple studies in the UK and internationally suggest that more activity in town centres would support prosperity and economic growth.

- **Greener homes.** The built environment sector creates up to 40 per cent of UK greenhouse gas emissions. To reduce this, we will need to get better at repurposing old buildings for new uses, not just building new ones. For example, constructing a new-build two-bedroom house uses up the equivalent of 80 tonnes of CO_2, while refurbishment uses eight tonnes.

- **Often cheaper.** Converting exiting buildings is also often cheaper than building new homes – meaning that financial support for new homes can go further. Converting an existing building is on average £670 cheaper (35 per cent) per square metre than building afresh. Outside very high value areas, building costs often represent between 65 per cent to 80 per cent of total development costs, even more in left behind areas. If Homes England's £1.1bn development finance commitment was used to support conversion rather than new build, between 67,000 and 70,000 homes could have been created rather than 55,000. This is the equivalent of 5 per cent of the government's annual housing target with no additional government financial support.

Important secondary benefits of more town centre living include the fact that it can be easier for older people to stay physically active for longer, can support home working requirements and reduces car-dependency for many journeys. Encouraging town centre living and systemic repurposing of many shops is the right thing to do - but it needs to be done correctly.

Since 2014, the government has taken steps to ease the process whereby shops can change use to homes via so-called permitted development. This does not require planning permission but does require prior approval. In a series of orders in 2014, 2016 and 2019 shops, financial and professional services were all given the right to convert to homes without planning permission. Local authorities can prevent this by issuing Article 4 directions. In 2020, the government went further, announcing a combination of retail uses into one flexible use class (use class E), the extension of permitted development to the conversion of homes above commercial units in some situations, the right to demolish certain properties on the high street (if vacant for six months) to be replaced with homes and the proposed extension of permitted development rights (PDRs) to restaurants, indoor sports and crèches.

The increased ease of conversion has increased supply though the effect has been modest. Nationally, 1,325 net additional homes were converted from shops via permitted development between 2017 and 2020 and probably around 2,000 in total (figures are not available for every year). However, this policy has also led to criticism that poor conversions undermine the attractiveness and clustering effect of existing

Chapter 3.

Recreating town and neighbourhood centres

high streets. The Royal Institute of British Architects, for example, has voiced concerns that 'there is no evidence to suggest that changing to residential from retail will assist a healthy and vibrant high street.' Others are worried about poky flats squeezed into dark ground floors. There is some validity to these concerns, though far less than for office to residential conversion. Nearly 40 per cent of conversions under permitted development change of use from retail to residential did not meet national space standards (which have been advisory not mandatory), whereas only 25 per cent of similar conversions made under full planning permission did not. Office to residential conversations were much worse: 78 per cent did not meet national space standards.

The new PDRs have also had important consequences in left behind places close to areas of high demand. Some left behind places with relatively low property prices have already suffered the effects of commercial property being converted into low quality housing to accommodate those forced out of more prosperous places. This is clearly one way to create some additional homes, but it is not a convincing path to town centre regeneration. Without adjustment in some situations, the new PDRs threaten to 'hollow out town centres, damaging the quality of community life and diminishing the overall attractiveness of some towns'. [23]

Permitted Development in Chatham

Chatham has seen high levels of PDR conversions to create Temporary Accommodation, reflecting and entrenching the role it has for some time played as a relatively affordable place to which London local authorities can relocate homeless households. This leaves places with vacant non-residential space vulnerable to the most exploitative model of PDRs – using the relatively secure rental income generated by the homelessness system to fund conversions to residential in the most affordable places, where initial costs will be lowest and yields therefore highest. This model is possible because of the lack of choice homeless households have over where they will live, and the increasing tolerance in the homelessness system for moving households to Temporary Accommodation outside of local authority boundaries – especially from London to other local authorities.

Community organisers in Chatham and similar neighbourhoods see the poor-quality housing created through PDRs as symbolic of the planning system's broader failure to listen to their local communities. While interviewees invariably emphasised that their community had been ignored and neglected by the local planning system and in new national planning rules designed to by-pass local systems, they also often emphasised that their communities had not spoken up about bad development or about the kinds of development needed locally, making it easy for politicians and developers to ignore them. Chatham Arches Local described their community as "invisible", "not listened to" and "not heard" in decisions about changes to the local environment; but they also described the community as "limiting ourselves" and "apathetic". [24]

These pressures are grounds for real concern about the future of the sort of independent, characterful high street businesses that make places distinctive and attractive – even as the experience of lockdowns and home working have triggered a boom in local start-up enterprises. It is vital that this new entrepreneurial activity is not stifled by problematic asset ownership or unintended consequences of planning reform.

Diversity matters.

'High streets can't just be about retail; they've got to be about experience and activity.'

Urban Hax CIC, Walsall

Even before the pandemic increased these pressures, it was becoming increasingly clear that the long-term solution to high street decline lay in rediscovering the resilience and vitality of diversification. The places with the most vibrant, thriving centres – including many outside the more obviously prosperous parts of large cities – are those that offer a much broader range of experiences than just shopping, as used to be the case historically. The Bennett Institute for Public Policy has provided in-depth evidence of the importance of diversification to high streets, emphasising the role of libraries, cafés, cinemas, art installations, pubs, heritage assets and green spaces in drawing footfall to support a smaller retail offer, and in changing and extending

Chapter 3.

Recreating town and neighbourhood centres

the time periods in which high streets are active. More diverse high streets also encourage people to visit high streets in groups rather than individually. This is associated with them spending more money and time there – and they incentivise more talented local people to stay living locally or to move there, as part of a wider strategy of place attractiveness[25] that encourages people with get up and go to get up and stay.

"Revitalising town centres in the 21st century means providing denser and more integrated residential units, co-locating public services along the high street, expanding technology-assisted services, like 'click and collect', promoting increased footfall, and leveraging public and private investment to fund regeneration initiatives and better public transport systems. Within this policy mix, a strategic focus upon the community amenities of a place may well be of considerable importance in creating the conditions in which prosperity becomes more likely." Bennett Institute for Public Policy[26]

Kings Street, Great Yarmouth

Like many towns, Great Yarmouth's high street, Kings Street, struggled following the introduction of out-of-town shopping centres, the growth of online shopping and the impact of the 2007 crash. In 2012, 70 per cent of shops at the lower end of Kings Street were empty. Neglected, boarded-up buildings contributed to a sense of decline in the town centre. Great Yarmouth Preservation Trust began purchasing empty properties in 2013, using low-cost loans from Great Yarmouth Borough Council. The Council required business plans demonstrating a viable end use for each property, with sufficient income generated to service the loans. The five buildings renovated so far have created a gallery with artists' studios attached, office space and high-quality affordable housing. The Trust also purchased a vacant plot of land adjacent to Kings Street for a self-build housing project, with design informed by the local vernacular. The Trust manages the homes it delivers directly, and now holds a lengthy waiting list for its homes.

The Trust's work on Kings Street acted as a catalyst for the owners of other King Street properties. A café, news agents and a deli opened up to service the growing community now living around the street. Many buildings on Kings Street are still in need of repair, but before the pandemic this part of Great Yarmouth's town centre was widely felt to have turned a corner. Supported by this early work from the Trust, in December 2020 Great Yarmouth Borough Council secured an offer of £13.7 million investment from the Government's Future High Streets Fund to underpin further action to improve the town centre around the Market Place area.

Planning plays an important role in shaping the incentives of investors, developers and business owners. Town centre first policies remain important to drive commercial investment into town centres to support attractive, vibrant and viable places, but these have been weakened by commercial pressures and the unintended consequences of housing policy. The drive for new homes above all else has channelled investment into out-of-town residential developments that are often poorly designed and car dependent, rather than the more complex and capital-intensive regeneration of urban brownfield sites that many left behind places need.[27]

An industrial legacy of brownfield land in Wigan

Wigan benefits from good transport links to Manchester by rail and road. However, transport connections within the town and between the main towns of Wigan and Leigh are patchier. Across the borough, new development is hampered by significant viability challenges. Many sites require costly remediation works due to contamination - a legacy of Wigan's industrial past in cotton production and coal mining. In recent years, private developers have often preferred to develop new housing in ribbon developments beyond the town centre, entrenching car dependency and the tendency for residents to look outside the borough for leisure and retail.[28]

The recent reform to the planning use class system created a new, broader Class E category for Commercial, Business and Service uses, covering everything from banks to cafes, shops to bowling alleys.[29] This will make it easier for businesses to adapt to change and provide a wider range of goods and services. As such, it should be positive for high street diversification. Flexibility breeds resilience. However, this is not without risks, as commercial pressures may run counter to local community interests, and local planning authorities and government alike will have to keep a close eye on what happens on the ground and be ready to respond to undesirable outcomes. The creation of Class F2 for Community Assets is also useful. It explicitly recognises the value of both social assets like meeting halls and swimming pools, and (for the first time) the importance of basic shops in places that lack other amenities. Protecting these uses, not least from conversion under PDRs, will be important in ensuring that the regeneration of high streets provides wider community benefits than a purely market-orientated approach can do.

Similarly, there is evidence from our case studies that local heritage can play a strong positive role in place-sensitive regeneration, but one that market mechanisms often undervalue community-led regeneration can be far better at recognising the wider place-making and symbolic value of heritage buildings, and at repurposing these assets for new uses in ways that purely commercial investors would not.

Chapter 3.

Recreating town and neighbourhood centres

Morecambe heritage assets

The Good Things Collective has a strong focus on rehabilitating empty, derelict and underused buildings and spaces across Morecambe, repurposing them to build the town's social and community infrastructure. Morecambe's legacy of beautiful but poorly-maintained and underused buildings represents both a drag on current perceptions of the town, and, for the Good Things Collective, an obvious opportunity to address the need for community spaces, and so to normalise enterprising behaviour by making it more visible. As one organiser put it, "There's no way to build and solidify the culture we're aiming at without a physical place to house it."

Good Things Collective is responding to a situation where, on the one hand, people in Morecambe lack public and community spaces where they can share ideas, create and sell products, and on the other hand Morecambe's many empty buildings sit waiting for someone to give them a new purpose in a rapidly-changing world. The community living in and around Morecambe's town centre have stronger incentives than any other actors to find new, sustainable purposes for these buildings and to drive forward projects which can make these new uses a reality.

In 2018, the group was awarded a grant of £40,000 from the Government's Coastal Revival Fund to work up proposals to transform a long-term empty building in local authority ownership, Centenary House, into community hub spread across three floors. These plans have been adjusted to ensure the hub will be financially viable in the conditions created by the pandemic. This has increased the total cost of refurbishment works, but means the new hub should become self-sustaining within three years of opening, and should generate a profit after five years. [30]

Housing creativity in Walsall

Urban Hax CIC has found that the creative businesses and individuals they support generally aren't looking for a traditional office or a trendy "shed" – beloved of many regeneration projects. Instead, they thrive best with a hybrid of light workshops and clean digital workspaces, allowing creative people to come together and collaborate across the "traditional"-"digital" divide. Organisers are passionate about the potential for heritage buildings to meet this need, and in 2015 Urban Hax made its first home in a local listed building, the former stables of an old Victorian corn mill. The CIC gave this disused space a new purpose as 2,500 square ft. of workshop and clean space.

Urban Hax is now seeking a new building to continue expanding their work through a Creative Industries Enterprise Centre. Their ideal building is the Guildhall in Walsall - a historic building on a site that has been in civic use since the twelfth century. The Guildhall has been closed for ten years, and organisers described how the building has come to mean less and less to local people as years of disuse have added up. For Urban Hax, the benefits of bringing such heritage buildings into enterprising use is clear, especially in a town where many historic buildings have sadly been lost to demolition over the years.[31]

The potential for place-based co-location

We have heard much evidence that public services should be part of this profound re-diversification of town centres and high streets, particularly in left behind places where they may already represent a larger proportion of footfall-generating activities than in places with stronger commercial functions.

Co-locating public services – from benefit offices to healthcare to children's services – can generate significant efficiency gains, and spill over benefits resulting from increased footfall. As the Centre for Social Justice has argued, placing co-located service 'hubs' in key high street locations can therefore support wider commercial and cultural activity in these places – and provide productive uses for underutilised buildings in these places.

The value of social infrastructure

We suggest that policymakers treat social infrastructure as those physical spaces in which regular interactions are facilitated between and within the diverse sections of a community, and where meaningful relationships, new forms of trust and feelings of reciprocity are inculcated among local people.

Bennett Institute for Public Policy [32]

Missed opportunities in Lawrence Weston

In 2016, a proposed partnership between Ambition Lawrence Weston, Bristol City Council and Bristol Clinical Commissioning Group and the NHS, in would have delivered a new community hub, with offices for local authority staff, a GP surgery and pharmacy and space for Ambition Lawrence Weston's community services (such as debt advice) across three floors. This would have brought health services into an area in desperate need of them, and given council officers a base in Lawrence Weston to replace a recently closed Customer Services Point. The proposed community hub would have combined a range of key services in one building in a prominent area on the high street, helping all three services to reach more local people in need and to benefit from referring between themselves, under one roof. All three partners were initially enthusiastic about the opportunity.

Sadly, the partnership failed. Bristol Clinical Commissioning Group/NHS wanted Bristol City Council to own and have responsibility for the building. Ambition Lawrence Weston agreed, but then found it impossible to progress plans with the local authority, identify senior leadership for the project there, or even to establish a clear point of contact. These delays put the project's funding at risk – including £1.7m from the NHS Transformation Fund and £500,000 from the National Lottery's Reaching Communities Fund. The hub's planning permission ultimately lapsed. Ambition Lawrence Weston now intends to deliver a new community hub independently, with a new planning application now being considered, though this will be on a smaller scale than could have been achieved through the proposed partnership and without the benefit of additional health services for the community.[33]

Chapter 3.

Recreating town and neighbourhood centres

Danny Kruger MP's proposals on levelling up endorsed this vision of public service hubs as centres for community life, with a focus on the potential for digitally-enabled libraries to act as locations for multiple services, supplementing their role as a 'repository of the memories of a local place and traditionally a window on knowledge'.[35]

Hub streets

'Reimagining high streets as 'hub streets' would be excellent for restoring a sense of pride around dilapidated town centres. Furthermore, this is not a turn away from retail, but will support retail by increasing footfall and local activity. As the recent ONS statistics clearly show, those towns recognised as 'hub towns' (where local services are available in the same place) have performed better in terms of retail than the rest of the country; "Hub towns' high streets have retained more of a retail focus than other places, being composed of 36% retail addresses, compared with 29% in Great Britain overall."[34]

Treating public services as destinations and as places where people can meet, rather than as purely transactional functions of the state, is also part of the wider reimagining of the role of public services themselves that has been gathering momentum in recent years. In this thinking, public services should be focused more on outcomes than outputs, and should therefore be just as interested in how services are provided as the traditional metrics of what they deliver.[36] This perspective naturally leads to a greater emphasis on community participation in service design and provision – and to what Demos has referred to as 'relational services' that are explicitly designed to increase networks of individual interaction with service providers and the wider community.[37]

As the NHS Healthy New Towns programme exemplifies, this more holistic approach to services naturally supports more place-based, as well as more community-orientated, strategies, and should therefore be incorporated into efforts to revive left behind places and level up the country.[38]

Evidence: Relational services

Healthier Fleetwood focuses on connecting people in peer-to-peer groups doing everything from gardening to singing. By building up relationships and connection between people within the local area, the programme has built social capital that strengthens the community's capability to actively prevent and resolve people's problems before they need to access health services. The effect has been to dramatically improve health outcomes in one of the most deprived places in England, not by treating illness better, but by enhancing people's ability to help themselves. A&E attendance is down 20%, compared with an increase of nearly 5% for the surrounding areas.[39]

1. Revive town centre commerce and activity beyond the pandemic by supporting independent stores and rescuing lost assets

Submissions to our commission have agreed that town centres and high streets are crucial to levelling up as well as at the forefront of the pandemic response. These twin goals mean that government should ensure that short-term business support and recovery efforts are designed and delivered with longer-term area-wide transformation in mind.

Firstly, this means addressing the huge burden of rent arrears and debt that threatens to swamp the small, independent businesses that are the lifeblood of healthy high streets. The forthcoming arbitration system for commercial rent recovery will have a fiendishly difficult job to do in balancing the interests of different stakeholders. In creating a new system the government will need to ensure that the wider community interest in thriving and diverse high streets is given proper weight.

Policy proposal i: convert Bounce Back Loans to independent high street businesses to grants

More immediately, the government should follow the example of France, which has a long tradition of valuing the wider benefits of independent local shops, and convert the £1.7bn of outstanding Bounce Back Loans to small, independent businesses into grants.[40] This could very readily be funded from the £2.5bn in covid support that has already been returned to the government by major retail chains that have been able to ride out the crisis more easily than the independents.[41]

Seeking to preserve existing independent businesses that have just about survived the pandemic should not be seen as futile attempts to buck the market, but as a smart response to an unprecedented crisis – and an efficient way to support and create the diverse high streets that places provably need. There is proven real demand for these types of local business, which the pandemic has heightened. A recent Financial Times headline ran: "Pandemic ignites UK's strongest start-up boom in a decade: entrepreneurs driven by mixture of losing their jobs and reassessing priorities, as consumers change habits." Most interestingly, the emerging evidence suggests that the sudden rise of independent high street traders since the outbreak of the pandemic has been particularly pronounced in left behind places such as Great Yarmouth, Birkenhead, and Bradford.[42]

Recreating town and neighbourhood centres

Policy proposal ii: create a town centre asset rescue fund

Secondly, the risk of large numbers of commercial properties falling into the hands of speculative, rather than regenerative, investors is very real and must be tackled head-on. The government should move quickly to create a time-limited town centre asset rescue fund, with sufficient financial fire-power to acquire distressed high street property and other assets of community value that may come up for sale, and eventually sell or transfer them to the community once longer term finance has been raised from other public funding streams, commercial finance or donations. If no positive community transfer option is possible, commercial sale back to the open market would be the fall-back position.

In the longer run smarter approaches to commercial rent setting and business rates are urgently needed. Public and commercial landlords, their lenders and their agents, must recognise that rents need to reflect the different ability to pay of different uses – if they are to support the diverse and thriving high streets that will ultimately boost their own asset values and incomes.

Commercial rents

"Local businesses and services that together make up a healthy high street ecosystem, have a range of abilities to pay. A co-working space is typically able to pay more rent per square metre than a repair shop, but less than a supermarket. An events space can pay more than a community bakery, though less than a pub. A GP surgery arguably shouldn't pay any rent at all, whilst an urban farm might be able to make a contribution by providing apprenticeships for young people rather than paying rent. But this reality is in tension with the way private landlords, surveyors, and to some extent local authorities, currently calculate rents – using evidence of rents achieved from letting comparable properties. This means that regardless of the financial position of local businesses, rents are still set according to the highest bidder's ability to pay – often supermarkets, coffee shop chains or betting shops. Hence their prevalence on our high streets, and the relative absence of other types of services."
Grimsey Review[43]

As highlighted in Chapter 4, some far-sighted investors are starting to do just this, and exploring the potential for commercial rents based on turnover, preferential rents for businesses that contribute social value to the local economy, and allowing community organisations to make temporary use of retail units that would otherwise lie vacant.

Policy proposal iii: reform and simplify business rates

The long overdue reform of business rates must likewise recognise the huge structural changes affecting the high street sector – including but not limited to the rise of online retail – and support diversified high streets with mixed uses and thriving independent businesses. The Netherlands' business rate reforms in the 1990s should serve as a starting point. This took a centralised, slow and cumbersome business rates system very similar to ours, and turned it into a more responsive and fair tax that considers actual local conditions and rewards local economic growth, as described by the Centre for Cities.[44]

Reform should include making landlords and tenants responsible for half the business rate liability each, and annual revaluations, as this will help to align incentives around sustainable growth and reduce perverse incentives to leave property empty. The complex system of reliefs should be simplified. Some, like downward transitional relief, should be abolished entirely as counter to the objective of levelling up, as it forces struggling businesses in poorer places to overpay to fund underpayment by thriving businesses in more prosperous areas.[45] Local authorities should be given far greater discretion over the application of remaining reliefs, so that they can make locally-sensitive decisions as to how best to support local businesses as part of their regeneration strategies. These reforms would make high streets more responsive to market changes, while giving councils more power to encourage the sorts of socially valuable businesses that they want to see thrive.

2. Support the community high street by creating Community Improvement Districts and public sector co-location

The tension between flexibility and control that lies at the heart of the planning debate is also central to the challenge facing left behind places: levelling up efforts must be flexible enough to enable creative uses of buildings and spaces, while simultaneously providing a clear vision for town centres as places and preventing harmful or speculative interventions to undermine positive change. Getting this balance right will be difficult but is not impossible. As evidenced by the history of regeneration programmes, and discussed at length in debates about the role of planning and the development system, the answer is for a strong vision of place, shaped by the community itself, to set the overall framework, within which rigid control over precise activities becomes less necessary.[46]

The vision for the high street of the future will, of course, vary from place to place. But the key theme is clear. Good 'town centres' are flexible and resilient. They are good places to be and spend time. Successful high streets are thriving centres of community life. They offer a wide range of goods, services and experiences. Local people are proud of them and have a sense of emotional ownership. They want to be there. This is undeniably ambitious – but the present moment, in which multiple crises and changes are colliding, represents a generational opportunity to achieve lasting change. What is needed, in addition to the placemaking transformations described Chapter 2, are investment and place-management strategies focused on delivering community goods and place quality, for the long-term benefit of local communities. This will require changing some of the incentives on commercial property owners and private businesses, as set out in Chapter 4 – and supporting the emergence of new types of organisations for whom community benefit is the explicit objective, not an accidental by-product.

As defined by Power to Change, community businesses are locally-rooted and accountable to

Chapter 3.

Recreating town and neighbourhood centres

the local community. They trade for the benefit of the local community and have a broad community impact. Enabling more community businesses to be at the heart of levelling up and regenerating high streets brings together all the positive responses to short and long-term challenges that the evidence to this Commission has identified. One of the biggest opportunities of the next few years, as we move beyond the pandemic response and into longer term transformation will be to learn from and build upon the inspiring examples of community-led high street regeneration that have emerged in recent years:

Community businesses

The Old Library, Bodmin – where a significant local building has been used by a community business as a cultural facility, drawing visitors to the high street.

Hebden Bridge Town Centre – a town with a thriving high street, with multiple community businesses supported by the local authority through their 'community anchors' policy.[47]

Our case study of the Midsteeple Quarter, Dumfries – a community-led initiative which is developing a group of high street buildings into a live/work quarter – demonstrates the full potential of the 'community take over' model. Starting with a group of local artists' proposal to use an empty shop as an arts centre, the project has grown into an area-wide initiative, involving a series of buildings around the old high street in multiple ownerships, and repurposing them for a range of uses from retail to residential.[48]

The lesson from these and other projects is that community businesses can be effective at turning around the economic fortunes of left behind places. This can be directly through the employment, services and physical improvements they provide. It can also be indirectly through the wider impact on community cohesion, wellbeing and empowerment. What is needed now are policies that can accelerate the community sector's expansion so that it can fulfil its potential and support the transformation of left behind town centres.

The concept of Community Improvement Districts (CIDs) was first proposed by Professor Tony Travers of the LSE a decade ago, based on Business Improvement Districts (BIDs) but extended to include more direct community participation.[49] The idea has since been taken up by others, including Danny Kruger MP, whose report for the PM on levelling up suggested that CIDs could be given 'greater freedoms and greater responsibilities to develop new models of local social and economic policy' and that 'national funds for local development, such as the Towns Fund and UK Shared Prosperity Fund, could be top-sliced for CIDs, with the money given without strings to the community.' [50]

Community Improvement Districts

"BIDs should be reimagined as collaborations between local businesses and community-led organisations which have a stake in the high street, and should involve a close working relationship with local authorities. Introducing community representatives into the governance of BIDs would be an important signal of that change. There should be a three-way conversation between local businesses, local authorities and community-led organisations, and that will have different dynamics in each place based on local needs and relationships. How these conversations happen should not be mandated from above. However, government can play a role in enabling these conversations to happen and ensuring that communities and wider civil society organisations can play a meaningful role in shaping local priorities."
Power to Change [51]

Various possible models for CIDs have been proposed.[52] The most straightforward approach would be similar to the one in Scotland, where the existing BID format has evolved to give voices beyond business a say in how town centres evolve and can draw levies from beyond the business community as well. This has the advantage of not needing change to underlying legislation.

Evidence: Possilpark Improvement District, Glasgow

'Possilpark is one of the most deprived communities in the UK and faces enormous challenges with alcohol, drug addiction and gang violence. In 2019 a Community Improvement District was launched as a pilot project to build on business and community links around Saracen Street and support local traders. It aimed to reflect the rich heritage of the area to generate new pride, while working with kindness and compassion. Bringing together a wide range of stakeholders including the largest community-controlled housing association in Glasgow, a credit union, health centre and Glasgow City Council. One of its first tasks was to properly celebrate Christmas and create a better environment for traders to prosper.'[53]' The CID has broadened the district's aims beyond simple commercial viability to consider wider local economic development and wellbeing, with social housing providers and voluntary organisations now sitting alongside local businesses.'[54]

Chapter 3.

Recreating town and neighbourhood centres

Evidence: Regeneration of Swansea High Street

As in many a UK town centre, Swansea High Street had fallen on lean times. In 2014 the Arts Council of Wales initiated an arts-led program that was designed to have a positive regeneration impact and selected Swansea High Street as one of its projects. Engagement with the local community eventually led to the idea to bring back the awnings and canopies once associated with the High Street in a re-imagined form. This would both provide a clear identity for Swansea High Street and serve a practical purpose in protecting shoppers and diners from the elements. A local artist was appointed to design the awnings and a local restaurateur was willing to install an awning over his shop front first, bringing about the programme 'Come Rain, Come Shine'. The Welsh-Italian proprietor of Buon Appetito understood the commercial advantage of the awning, which it is envisaged will be the first of many to spread along the whole of the High Street from Swansea Station to the sea.

Policy proposal iv: create Community Improvement Districts for town centres in left behind places

Local authorities, business communities and wider civil society in left behind places should come together to create new Community Improvement Districts aimed at improving the physical fabric, trading conditions and community involvement in town centres.

While new legislation should not be necessary to create CIDs, government should support them with priority access to levelling up funds (including the proposed town centre asset rescue fund), and by granting greater local control over planning policies.

Policy proposal v: high street renewal should include co-locating public services in community hubs

When the delivery of public sector services is dissipated and dislocated from town centres, scattered randomly around the periphery of a settlement then the public sector is undermining left behind places, counting the pennies (where is it cheapest to build) not understanding the pounds (where can we add most value to the neighbourhood). Regeneration plans must involve as broad a range of public sector stakeholders as possible, as well as community and business voices. New buildings and updated service provision should support town centres, not undermine them. We should maximise the potential for service co-location as a means of reprofiling the public service property holdings and driving footfall to town centres.

3. Ensure planning, development and property ownership supports regeneration rather than preventing it

The government must be careful to ensure that planning, funding and other policies that impact on development are properly thought through to prevent unintended consequences for the regeneration of left behind places.

Policy proposal vi: strengthen national planning policy support for 'town centre first' policies, keep the new use classes under review, and allow councils to use Article 4 opt-outs from PDRs as part of comprehensive town centre regeneration plans

The planning reforms proposed in the recent White Paper must allow local and regional authorities to maintain and strengthen 'town centre first' policies and resist unsustainable urban sprawl development. The new use class system should be kept under review and carve-outs allowed for town centres if evidence emerges of them undermining regeneration efforts.

The government should allow local planning authorities to use Article 4 directions to withdraw permitted development rights in town and neighbourhood centres that are planning positively for their future by way of comprehensive masterplans, strategic regeneration frameworks, Local Development Orders – or have Community Improvement Districts in place.

Policy proposal vii: permit place-enhancing changes of use

Councils and neighbourhood forums should set clear design codes for the retail to residential conversion of shop fronts. The government's new Model National Design Code[55] includes a suggested exemplar set of design codes that can be adopted locally to permit the seamless conversion of shops to homes without harming (and in many cases improving) the visual appeal of the street. Used by councils in local plans or SPDs, they could reduce the planning burden associated with conversion of retail to residential properties, in turn helping local authorities. It should be possible for permitted development conversions to make use of these rather than preventing external changes. Adapted more widely, they could permit economies of scale which make it cost effective to create beautiful, high-quality conversions in low as well as high value areas and make it easy for builders to design and build shop fronts without extensive design expertise.

Policy proposal viii: ensure leasehold reform does not undermine the viability of mixed-use regeneration

The government's commitment to reforming leasehold is well intentioned. However, there is a risk of unintended consequences that could seriously undermine regeneration efforts in left behind places. Area-wide place improvements often require coherent ownership and mixed-use regeneration projects can take many years to deliver returns on their initial investment. Large scale investments in mixed use developments are particularly complex to finance, as the different asset classes have different risks and returns over different timescales – which is why too many developments tend towards monoculture rather than embracing the diversity of use that all places need.

To incentivise the right sort of patient, place-making investment it is vital that investors are able to apply their capital securely over the long term. Proposed reforms to the leasehold enfranchisement rules threaten to undermine this by lowering the threshold at which freeholders must sell their interest from 75 per cent to 50 per cent of leaseholders, making it more likely that key parts of long term, large scale investments could be lost at any point and fatally altering the risk profile. Based on the

evidence we have received, we recommend that this proposal should be dropped – or an exemption provided for strategic regeneration investments.

One of the most persistent barriers to effective town centre regeneration is fragmented property ownership, and even a lack of transparency as to really owns property. When ownership is opaque, or multiple different owners each have different interests and capacities in a relatively small place it can make it almost impossible for local authorities or other civic actors to act strategically. Even if coherent plans can be drawn up, fragmented ownership can make delivering them impractical. This is especially true where critical assets are held by absentee landlords whose commercial interest may be at odds with the community's – as evidenced by the Observer Building in Hastings. Our case study example of the Midsteeple Quarter in Dumfries shows how pooling of asset ownership can give more control to an agency operating in the community interest. Chapter 4 discusses ways of enabling more community organisations to take ownership of town centre and other local assets, the importance of transparency around property ownership, and the role of compulsory purchase as the ultimate backstop power to align incentives behind positive regeneration.

Recreating town and neighbourhood centres References

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Chapter 3.

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Great Yarmouth Preservation Trust

Local authority:	Great Yarmouth Borough Council (Conservative control)
Constituency:	Great Yarmouth - Brandon Lewis MP (Conservative)
Type of neighbourhood:	Coastal town and seaside resort within a rural area in Norfolk

Great Yarmouth Preservation Trust

Background

For hundreds of years Great Yarmouth served as a major fishing port and popular British seaside resort. The fishing industry has now all but disappeared, but tourism remains Great Yarmouth's single biggest business sector, representing 29% of the district's employment. The discovery of North Sea oil in the 1960s led to a flourishing oil rig supply industry, and today it services offshore natural gas rigs. More recently, the development of renewable energy sources, especially offshore wind power, has created further employment opportunities.

Yet local educational attainment is low compared to the regional and national average, so that many people who live in Great Yarmouth lack the skills to access the highest-paid jobs in the energy sector, and many households rely on poorly-paid and seasonal employment. Great Yarmouth's unemployment rates were amongst the highest in the country prior to the outbreak of Coronavirus. While housing demand in Great Yarmouth is weak, low earnings put homeownership out of many local people's reach.

Great Yarmouth is characterised by architecturally-significant buildings and spaces, principally from the 18th and 19th centuries, but also including mediaeval and 20th century buildings. Many have been poorly maintained and have fallen into disrepair over the years – in part due to shortages of the specific skills needed to maintain historic buildings. Like many of our case studies, Great Yarmouth suffers problems with low-quality private rented housing, particularly in its town centre, where a large share of former guest houses have been converted into low-quality HMOs. Properties in the town centre have sold for as little as £16,000 in recent years. Private landlords often lack the skills, experience

and motivation to provide a good service, and the money to invest in their properties. Many private renters move house frequently, with damaging effects for neighbourhood and community dynamics.

Project

Founded in 1979, Great Yarmouth Preservation Trust exists to preserve, safeguard and promote the cultural heritage of Great Yarmouth for the benefit of the people who live and work there. The Trust owns and manages a portfolio of historic properties across the borough, bringing them back into use in ways that meet the needs of today's residents, businesses and visitors, building skills and employment opportunities locally and ensuring that historic buildings and green spaces are maintained for the long term. Between 2007 and 2017, 17 successful projects generated £8.4 million for the local economy, removed 8 buildings from the buildings at risk register, created 25 homes, delivered 25,520 training hours, recruited 644 volunteers and led to 12 complementary projects.

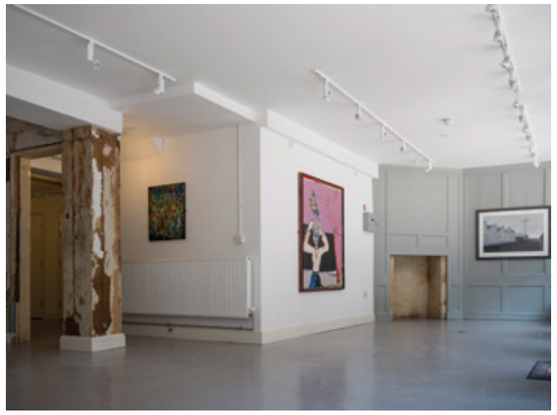
The Trust usually takes ownership of the properties it improves to ensure it has the control needed to transform and repurpose buildings, and to draw revenue from projects to maintain and keep improving spaces. Taking ownership of neglected buildings was an important part of the Trust's strategy for reviving the town centre. Like many towns across the country, Great Yarmouth's High Street, Kings Street, struggled following the creation of new out-of-town shopping centres, the growth of online shopping and the impact of the Great Financial Crash from 2007. In 2012, 70% of the retail space at the lower end of Kings Street was vacant. Neglected, boarded-up buildings contributed to a sense of decline in the town centre.

Great Yarmouth Preservation Trust began purchasing empty properties in 2013, using low-cost loans from Great Yarmouth Borough Council. The Council required business plans demonstrating a viable end use for each property, with sufficient income generated to service the loans. The five buildings renovated so far have created a gallery with artists' studios attached, office space and high-quality affordable housing. The Trust also purchased a vacant plot of land adjacent to Kings Street for a self-build housing project, with design informed by the local vernacular. The Trust manages the homes it delivers directly, and now holds a lengthy waiting list for its homes.

The Trust's work on Kings Street acted as a catalyst for the owners of other King Street properties. A café, news agents and a deli opened up to service the growing community now living around the street. Many buildings on Kings Street are still in need of repair, but before the pandemic this part of Great Yarmouth's town centre was widely felt to have turned a corner. Supported by this early work from the Trust, in December 2020 Great Yarmouth Borough Council secured an offer of £13.7 million investment from the Government's Future High Streets Fund to underpin further action to improve the town centre around the Market Place area. The Trust also fed into the Council's bid for £25 million of Government investment through a 'Town Deal', arguing for an emphasis on place quality and tree planting in the town centre and across the borough.

Rooted in the local community, the Trust's work not only improves the built environment in Great Yarmouth, but also develops the skills and employability of residents. Its volunteering opportunities provide training in how to maintain a local environment with particular characteristics that often require specialist skills in short supply. These volunteering opportunities are consistently over-subscribed. Involving local people in meaningful work to improve the local environment in this way fosters a strong sense of community ownership over the buildings and spaces created. Many of the Trust's projects have turned spaces which once attracted litter, graffiti and anti-social behaviour into treasured public spaces of which local people are proud and protective.

Great Yarmouth Preservation Trust



The Trust works with local charities and public bodies including Mind, Youth Offenders, Voluntary Norfolk and Neighbourhoods that Work, as well using local radio, newspapers and social media, to communicate about its work and the meaningful volunteering opportunities it provides. The Trust also agreed with the local Jobcentre Plus that jobseekers could volunteer on its heritage projects without losing benefits income, and set up a process for referrals. In these ways, the Trust is able to reach a wide range of local people, including those with high barriers to employment. While local authority support for the Trust's work is vital, organisers emphasise the importance of the Trust's independence for engaging widely across the community and appealing to groups which the Council would find difficult to reach.

Great Yarmouth Preservation Trust puts significant emphasis on the value of sharing skills and exchanging knowledge, both between different parts of the community in Great Yarmouth, and between Great Yarmouth and other places taking action to maintain and improve their local environments in challenging conditions. Building on Great Yarmouth's history as an important port for trade, the Trust has fostered connections with and partnered on projects in Bulgaria, Estonia, Taiwan and elsewhere.

The group has also partnered on projects with nearby towns and villages within Norfolk, developing a shared sense of history and identity across its region. For example, the recent Making Waves Together project delivered research, conservation and repair work, new signage and public art focused on Great Yarmouth's 'Rows' and nearby Lowestoft's 'Scores', historically-important thoroughfares which evoke both towns' maritime and fishing heritage.

Investment package

Great Yarmouth Preservation Trust has benefitted from a range of third-sector funding programmes, including Historic England, the Headley Trust (part of Sainsbury Family Charitable Trusts), Pilgrim Trust and National Lottery funds such as the Heritage Fund. The group has also received significant support from Architectural Heritage Fund, both through grant funding and sharing advice and expertise. A range of project partners have also provided in kind support for the Trust's projects.

More recently, the Preservation Trust and other bodies in Great Yarmouth have also started to benefit more from public funding set up to address the particular challenges of "left behind" places. For example, the Making Waves Together project received funding from the Government's Coastal Revival Fund, and in December 2020 Great Yarmouth Borough Council secured an offer of £13.7 million investment from the government's Future High Streets Fund to underpin further action to improve its town centre. The Council is currently also awaiting a decision on its bid for £25 million of Government investment through a 'Town Deal'.

Beyond grants, the Trust uses low-cost borrowing, much of it provided by Great Yarmouth Borough Council, to cover remaining project costs. Funding for each project is ring-fenced. The income generated from refurbishing and repurposing each building is used to maintain that particular building, with any surplus invested to enhance the social value of that project.

Organisers are clear about the need for funding to allow their work to expand and to enable other places to adopt similar approaches, but emphasise that this does not necessarily need to come in the form of grants. Projects are designed to be self-sustaining through sales receipts and income generation to provide a legacy for the town and its people, and could be enabled through expanded access to low-cost finance. The Preservation Trust has a 5 year strategy to build organisational sustainability and resilience, which will reduce and eventually remove dependency on funding bodies.

Midsteeple Quarter, Dumfries

Local authority:	Dumfries and Galloway Council (Joint control – Labour and SNP)
Ward:	Nith - John Martin (Labour) Malcolm Johnstone (Conservative) John Campbell (SNP) Elaine Murray (Labour)
Scottish Parliament constituency:	Dumfriesshire - Oliver Mundell MSP (Conservative)
Westminster constituency:	Dumfries and Galloway - Alister Jack MP (Conservative)
Type of neighbourhood:	Town centre with an original medieval core

Midsteeple Quarter, Dumfries

Background

Dumfries is a town of approximately 40,000 residents in Dumfries and Galloway in the south west of Scotland. A Royal Burgh since 1186, and the home of Robert Burns, it has fine historic buildings and an attractive river setting. The combination of industrial, commercial and residential use brought prosperity to the town, which became known as 'The Queen of the South'. Whilst Dumfries still serves as the main administrative, shopping and healthcare centre for the region, the town centre has experienced a steady decline as people's shopping habits change, local businesses have been priced out by high rents and people have moved away from the town centre.

Dumfries has one of the lowest levels of residential living of any high street in Scotland – the result of well-meaning attempts from Dumfries and Galloway Council to improve post-war housing conditions by building new housing estates away from the town centre, and the introduction of larger chains (backed by pension funds and other institutional investors) which preferred storage to residential uses above shops. With little investment in high street properties in the years that followed, Dumfries high street gradually saw conditions decline and vacancy rates in ageing stock increase. In many cases, the investor owners of empty high street stock are "trapped by their balance sheet", unable to accept lower rents or to sell up to see shops brought back into use because of the impact this would have on the book value of property.

Project

"What we're aiming to do with Midsteeple Quarter is create a regeneration engine for Dumfries, to generate revenue to invest in the public realm and be part of the management and custodianship of the town centre."

In 2007, Dumfries and Galloway Chamber of Commerce, with a £750,000 grant from the Scottish Government, bought an empty shop building – 100 High Street – and started work to provide a new cultural attraction in the town centre. When this did not reach fruition, a group of local artists formed The Stove Network to present an alternative plan to Dumfries and Galloway Council: running 100 High Street as a public arts centre. In 2011, the property was transferred to the Council free of charge and leased to The Stove as an exhibition space and third floor workspace; bringing a cultural offer back to the high street and attracting visitors. The Stove Network is the only artist-led Community Development Trust in the UK.

Many of The Stove Network projects in the town have encouraged discussion with local people about the future of Dumfries. The absence of homes on the high street was a recurring theme and sparked the idea of a town centre building owned and regenerated by the community, bringing vacant properties back into use. A group of local individuals took this idea on and they identified an area of the high street known as the 'Midsteeple Quarter', after the Grade A listed Midsteeple building that dominates the town centre. The aim is to create a community-owned enclave of Dumfries high street in Midsteeple Quarter, developing the area as a mix of residential, office space and other uses.

With funding from Dumfries and Galloway Council's Town Centre Living Fund, the Midsteeple Quarter Community Benefit Society (CBS) was formed in 2017 to take the project forward. Anyone can become a member of the society, but only people and businesses resident in postcodes DG1 and DG2 have voting rights. The CBS currently has 400 members who are all part-owners, an elected Board and a small project team for day-to-day delivery. The cultural and creative industries remain central to the group's work, playing a vital role in sparking innovation and maintaining interest as plans progress.

Although the Midsteeple Quarter project is in its early phases, the 'meanwhile' refurbishment of The Oven has brought the building back into immediate life on the High Street, creating a new community space and attractions. This has generated a 'buzz' amongst the local community and raised perceptions of what can be achieved in the town. An important premise of the project is that more people living in the town centre will create new and different markets for retail businesses, whilst also producing a sense of safety and bringing a more family friendly night-time economy to the high street.

Ambitions for the future

The 'Midsteeple Quarter: A Blueprint for the heart of Dumfries' is a critical document for the project, helping to present the vision in terms that are convincing to stakeholders and other funders. It has been adopted by Dumfries and Galloway Council as part of the Local Development Plan 2.

The eight buildings on the High Street and within the Midsteeple Quarter are owned by a mixture of public and private investors. The Oven (at 135-139 High Street) was the first building acquired by the Midsteeple Quarter project after Dumfries and Galloway Council agreed to a Community Asset Transfer of the property in November 2018. Temporary improvements and upgrades have been made on the ground floor, providing a flexible space for community use and a pop-up shop.

With £2.85 million of investment from a number of public sources and grant bodies and other commercial funding streams, plans are at an advanced stage to completely redevelop The Oven. This flagship property will consist of an enterprise centre for local businesses at street level and seven new affordable flats on the upper floors. Planning permission and Conservation Area consent for the proposed development were granted in August 2020. Despite the restrictions imposed by the Covid-19 lockdown,

Midsteeple Quarter, Dumfries

construction work began in March 2021, with completion due in 2022. Had ownership of The Oven not been transferred to Midsteeple Quarter, it almost certainly would still be empty and would be costing the council money, and not initiating the changes on the high street that are being witnessed now.

The remaining buildings in the Midsteeple Quarter block are privately owned. When two of the High Street buildings (113-119) came up for commercial sale in 2019, Midsteeple Quarter secured public funding to purchase them, together with £80,000 crowdfunded. Purchases of 113-115 – renamed 'The Smithy' – and 117-119 – renamed 'The Press' - were completed in September 2020. The next phase of work will see the street-level spaces put into 'meanwhile use' as space for start-up businesses and social enterprise while the detailed preparations are carried out for the full development work. The redevelopment of these buildings will be similar to The Oven (commercial units at ground level and housing behind and above), with the initial feasibility study and business plan completed in November 2019. Redevelopment opportunities for the other buildings on High Street and their Backlands will be considered as they arise. Hence, full delivery of the project may take up to 15 years to achieve.

Investment

Midsteeple Quarter has received funding from a range of public sources and grant making bodies, including Dumfries and Galloway Council, the Scottish Land Fund, South of Scotland Enterprise, The Holywood Trust and Creative Scotland. The Board recognises that delivering the full Midsteeple Quarter project will require significant funding (£25-30m) over an extended period and as such, it cannot be reliant on public grants and loans funding. Opportunities for private investment need to be explored, alongside a Town Centre Investment Vehicle and Community Bonds. This is rendered more difficult by Scottish leasehold law, which prevents Midsteeple Quarter from selling leases on properties to investors while retaining control of the freeholds.

Midsteeple Quarter has worked closely with Dumfries and Galloway Council throughout the project. Initial 'pump-priming' investment from the Council's Town Centre Investment Fund (drawn from taxing local second homes) was critical in enabling Midsteeple Quarter to develop the project to a sufficiently advanced stage that it could then attract further investment from the Scottish Government and other national bodies.

We gratefully acknowledge the work of Neil Lee & Polly Swann at LSE Consulting for Power to Change in their report, Saving the high street: the community takeover, on which this case study is based.[1]

[1] https://www.powertochange.org.uk/wp-content/uploads/2020/10/Saving-the-High-Street-the-community-takeover-Report.pdf

Urban Hax CIC, Walsall

Local authority: Walsall Council (Conservative control)

Constituency: Walsall North – Eddie Hughes MP (Conservative)

Type of neighbourhood: Black Country market town situated between Birmingham, Wolverhampton and Sutton Coalfield

Urban Hax CIC, Walsall

Background

In the nineteenth century, Walsall became internationally famous for its leather trade, and the town continues to produce specialist high-end leather goods. However, leather and other manufacturing now provide far fewer jobs than in the past, with much of Walsall's employment today coming from its important role in storage and distribution - a result of its strategic location in Central England and the fact that the M6 cuts through the town. Morrisons, Tesco, Poundland and other significant employers have invested heavily in Walsall's road infrastructure, and the town is extremely well-connected to the UK road network as a result. Investment in local skills and social infrastructure have tended to be lower priorities for retail businesses, and public investment has failed to fill the gap, particularly in the difficult financial conditions created by austerity.

The aerospace and automotive industries of the Midlands provide some higher-paid employment and investment in skills. However, jobs in these industries have failed to fully compensate for the loss of specialist industry and manufacturing jobs over many decades, and today both employment rates and average earnings for those in work in Walsall sit below national and regional averages.[1] Local educational attainment is also low compared to national and regional averages, limiting local people's opportunities to access higher-skilled and higher-paid jobs. Community leaders in Walsall we spoke to described a feeling of despondency amongst many local people, with a growing pattern of intergenerational unemployment limiting young people's ambitions and local people's ability to see the value of their skills.

Due to its proximity to Birmingham and strategic location along the M6, Walsall can sometimes feel like a "dormitory town". However, the town also has a unique socio-cultural mix. Successive waves of immigration, both historic and recent, have led to a more ethnically diverse population in Walsall than for the West Midlands region as whole, with around one in four residents from a minority ethnic group. Established Pakistani, Asian Indian and Afro-Caribbean communities have been joined more recently by Eastern European immigrants. Walsall's different ethnic communities often lead quite separate lives, living and working in distinct parts of the borough.

Walsall is perhaps best understood as a collection of small towns, each with its own distinct identity. The neighbourhoods to the east of Walsall, nearest to Sutton Coalfield, benefit from ample green space including nature reserves, public parks and golf courses. The neighbourhoods to the west of Walsall, nearest to Wolverhampton, carry more markers of the town's past as an important industrial and manufacturing centre – including many contaminated former industrial sites with high remediation costs. Some parts of the district feel a closer affinity to "the next town over" than they do to Walsall, while some of the town's peripheral neighbourhoods, like Pelsall, have more of a "village mentality". All of these factors complicate Walsall's sense of civic identity.

In common with many towns across the country, Walsall's town centre has seen its retail offer weakened by the arrival of gigantic out-of-town shopping centres, like Merry Hill in Dudley, and online shopping. Walsall's town centre was experiencing a steady growth in vacant retail space long before Covid, which has of course made things worse.

Project

Set up 2014, Urban Hax is a Community Interest Company building an ecosystem of "makers, tinkerers, innovators and hobbyists who come together to share their knowledge, skills and crafts with other members of the community".[2] Urban Hax provides spaces, tools, equipment, training, mentoring and other opportunities for people across Walsall and beyond to make, create, share and sell, drawing on the Black Country's tradition as a place of makers. Organisers told us that in the context of declining educational, employment and other mainstream opportunities in Walsall, Urban Hax is finding new ways to inspire and uncover entrepreneurialism across the life course.

They combine traditional craft and creative enterprises (metalwork, woodwork, guitar-making, upcycling) with digital craft and creative enterprises (fashion design, computer design, photography, 3D printing), acting as a hub for the development of free open source software and hardware. Urban Hax promotes and supports collaboration across disciplines and provides a range of support to turn great ideas and projects into reality.

Urban Hax's offer includes workspace, storage space and other resources to support community members with individual and collaborative projects. They also provide educational and meeting spaces for teaching practical skills and the theory of technology, science and art, drawing on the collective knowledge and experience of community members, and linking them with other makers and creators outside of Walsall. Partnership working and the benefits of sharing experiences, knowledge and resources are fundamental to Urban Hax's approach. Organisers describe skills not being passed on as "a fundamental failing of society", and see this as an important driver of the economic and social decline Walsall has experienced in recent decades. As Urban Hax supports local people to build and value their own skills, they also encourage and enable community members to pass those skills on to others.

Urban Hax works will all kinds of local people; as organisers told us, "Creativity is a great leveller". For those who are long-term unemployed and / or experiencing multiple challenges in their lives, engaging with Urban Hax can be their first step to

[1] ONS Annual Population Survey (2020); ONS Annual Survey of Hours and Earnings (2020)

[2] https://urbanhax.com/about/

Urban Hax CIC, Walsall

finding and engaging with other services. For many community members, Urban Hax has led to their first experience of being paid for their skills. The CIC regularly supports people to take their first steps in what become new business ventures, building on the entrepreneurial skills which many local people already have, but don't always recognise. For example, they provide training in marketing, fulfilment and other business skills, and connect creative people and makers with others who have the business skills they need to turn ideas into viable products.

Urban Hax reaches out to the different ethnic communities of Walsall via community organisations (such as Nash Dom CIC, who support recent migrants from Eastern Europe) and through marketing and outreach work. They aim both to respond to the particular needs of different communities and to bring diverse people together by providing services, equipment and events relevant to everyone, and delivering these with sensitivity to the cultural, religious and linguistic diversity that makes Walsall unique. The CIC has tended to find that once a person has engaged with one of their activities, they keep coming back, and introduce friends and family members to what Urban Hax has to offer. In this way, the group is slowly building up a creative community. Today, Urban Hax benefits from an advisory board of experts and a user group, which together help guide the CIC's future development for the benefit of the community.

Housing creativity

Urban Hax has found that the creative businesses and individuals they support generally aren't looking for a traditional office or a trendy "shed" – beloved of many regeneration projects. Instead, they thrive best with a hybrid of light workshops and clean digital workspaces, allowing creative people to come together and collaborate across the "traditional"-"digital" divide. Organisers are passionate about the potential for heritage buildings to meet this need, and in 2015 Urban Hax made its first home in a local listed building, the former stables of an old Victorian corn mill. The CIC gave this disused space a new purpose as 2,500 square ft. of workshop and clean space. Over the following years, Urban Hax developed a 5-fold business model:

1. **Creative residents:** often micro-businesses, residents pay to run their business from Urban Hax
2. **Members:** pay a monthly fee to access equipment
3. Training, courses and one-off events
4. **Commercial projects:** commissions from the public, private and third sectors, often working with creatives in the Urban Hax community, which can lead to people's first experience of being paid for their creative skills
5. **The Bureau:** offers access to specialist equipment like 3D printers, CNC routers, T-shirt presses, laser cutters and large-format colour printers - with a commercial rate and a lower "community" rate

The Stables had to close temporarily because of the pandemic, but is now up and running again with social distancing measures in place. Sadly, some former residents will not return, either because their businesses have closed during the pandemic, or because individuals no longer feel comfortable using a shared workspace. Building people's confidence to work from a shared space again may be a challenge. However, the pandemic also offers opportunities for organisations like Urban Hax, as there is likely now to be new interest in workspace outside of city centres.

In addition to the Stables, Urban Hax have also taken on additional space in Walsall town centre as a "shop window" for its services, particularly for the Bureau's specialist equipment. For example, visitors to the town centre can have their bodies scanned and turned into 3D models which they can buy. For Urban Hax, this is partly about promoting themselves and their creative community to a town centre audience, and partly about making the case to Walsall Council for investment in a more diversified town centre offer– one focused more on experiences alongside traditional retail.

Urban Hax is now seeking a new building to continue expanding their work through a Creative Industries Enterprise Centre. Their ideal building is the Guildhall building in Walsall - a historic building on a site that has been in civic use since the twelfth century. The Guildhall has been closed for ten years, and organisers described how the building has come to mean less and less to local people as years of disuse have added up. For Urban Hax, the benefits of bringing such heritage buildings into enterprising use is clear, especially in a town where many historic buildings have sadly been lost to demolition over the years.

Building an ecosystem

However, Urban Hax are clear that what they do is not about any one building. Instead, they aim to build up an ecosystem of maker spaces around the Black Country which can incubate local start-ups, feeding into a hub in Walsall town centre, and connected to a wider ecosystem of maker spaces and other similar projects across the West Midlands and beyond – such as Sandwell College's Fab Lab, Birmingham City University's forthcoming STEAMhouse, and Aldridge's Men's Shed. Beyond this, Urban Hax is part of national and international networks of similar projects – including the Makerspace Network, the Heritage Trust Network and Locality - allowing them to tap into global expertise for the benefit of hyperlocal projects.

In the past, the different organisations and individuals working to make Walsall a better place have sometimes become locked in a "survival

Urban Hax CIC, Walsall

game", fighting for limited grant or revenue and undermining one another's efforts in the process. Urban Hax works very intentionally in a different way, as part of an ecosystem of local and regional organisations. They model a collaborative and mutually supportive approach, stepping up where Urban Hax is best placed to lead on an activity or project, and stepping back into a supportive role where others have more to offer. There is also a practical business concern at play here: the niche products in which Walsall has long specialised, and which form the lifeblood of Urban Hax's activity, require a large footprint if they are to be economically viable. Extensive networks and partnership-working allow different businesses, charities and individuals to learn about each other's products and offers.

Investment package

This partnership-led approach is also reflected in Urban Hax's approach to fundraising, which is often done collaboratively with other organisations. They have built up a strong working relationship with Walsall Council over the years, and have recently worked with the council and a local theatre group on a National Lottery funding bid to set up a creative space for people with mental health impairments. They are also working with Walsall Council to use the town's successful bid to the government's Towns Fund to expand their work, through a new Creative Industries Enterprise Centre.

Urban Hax took out a commercial loan when they began work in 2014, which is now paid back. They have benefitted from a range of third and public-sector funding programmes over the years, including: the European Social Fund, the Skills Funding Agency, the National Lottery's Big Lottery Fund, and Arts Council England's Creative Black Country programme. However, their core model is self-sustaining. Urban Hax has worked hard to develop sustainable income streams over the years, reducing the need for grant funding.

Chapter 4.
The value of community regeneration

Left behind communities need…. the powers and half the money… to take control of their assets and realise the economic value of community regeneration

Policies:

1. Create a genuine Community Right to Buy for assets of community value
2. Create a genuine Right to Regenerate, giving communities the right to improve derelict property and vacant land
3. Close loopholes in the registering of Assets of Community Value and Community Right to Bid processes

Funding:

1. Expand and extend the Community Ownership Fund
2. Reform tax reliefs to attract more social investment in community led development

Hidden Levers:

1. Clarify guidance for public bodies and amend charity law to include social value in 'best consideration' prices for community asset transfers
2. Promote legal protection for community owned assets
3. Introduce full transparency of property ownership
4. Reform CPO rules to prevent speculation undermining regeneration

Chapter 4.

The value of community regeneration

The economic value of community regeneration

The government's commitment to levelling up has reopened long debates over the nature of regeneration and how best to secure the economic revival of struggling places. Successive programmes since at least the 1960s – and arguably since the 1930s – have sought to turn around declining economic performance, entrenched poverty and the attendant social problems in less prosperous parts of the country. The differing approaches and priorities of these programmes have been thoroughly analysed, most recently by Professor Pete Tyler and colleagues for Local Trust[1], and by UK Onward.[2] There are four important lessons for the levelling up agenda.

- Firstly, regeneration must seek to address both economic and social issues simultaneously, through both people- and place-based interventions;
- Secondly, place-based interventions are best done at as local a scale as possible;
- Thirdly, communities must be positively involved and engaged throughout the planning and delivery of programmes;
- Finally, successful regeneration requires long term commitment of at least 10-15 years.

Economic prosperity and a strong social fabric are self reinforcing

Government regeneration programmes have tended to favour physical infrastructure – such as new roads - and overtly economic activity such as job training and business support schemes. This reflects the primarily economic priorities of national governments, the Treasury's institutional preference for short run capital investment over long term revenue spending, and the understandable political imperative to deliver visible benefits quickly. But a long history of evidence shows that economic prosperity, social capital and the quality of the social fabric are deeply intertwined with each other,[3] and that regeneration programmes, like the New Deal for Communities programme that ran from 1998 to 2011, achieve better economic outcomes when they also seek to address local social issues like crime, education and poor health as well.[4]

Mark Carney, Governor of the Bank of England, 2014:

"Prosperity requires not just investment in economic capital, but investment in social capital. It is necessary to rebuild social capital to make markets work."[5]

Chapter 4.

The value of community regeneration

The 'social fabric' should be understood broadly, as set out by UK Onward[6], to include the full range of social, civic, economic and institutional relationships that constitute people's lived experience of community. So, while policy interventions may focus on the more tangible aspects of community life – like social infrastructure and public services – these are only part of the picture. A rich social fabric also includes networks of social and business relationships that can be critical for fostering innovation, new SME businesses, mutual learning and the growth of local supply chains.

"Regeneration must be social as well as economic in nature…. economic regeneration and social fabric are strongly linked and mutually reinforcing: regeneration will be more effective if it attempts to repair the networks and institutions of society as well as rebuild local economic activity… 'investment in social infrastructure and social policy interventions is sometimes the best economic policy."[7]

Economic and social outcomes can be improved by investment in the quality of social infrastructure

While the social fabric of community includes much more than just the assets and services that support it, investment in that infrastructure is still an important mechanism for deepening and strengthening the social fabric.

Recent research by Frontier Economics has shown that 'investments in local places and spaces, community organisations and connectedness deliver significant economic, social and fiscal benefits.' They estimated that a £1 million investment in social infrastructure in a left-behind place can deliver £3.2 million in economic, social and fiscal benefits over ten years from the quantifiable outcomes only. This is from increased employment, better health and wellbeing, local economic growth and reduced crime and does not include quantifying the benefits from improved social cohesion, more civic engagement, reduced loneliness and environmental improvements, for which there is also strong qualitative evidence.[8]

Definition of social infrastructure

"Social infrastructure [is] those physical spaces in which regular interactions are facilitated between and within the diverse sections of a community, and where meaningful relationships, new forms of trust and feelings of reciprocity are inculcated among local people. These physical spaces may be public and free to use, such as libraries, parks and youth centres, or they may be provided in commercial spaces, for instance pubs, cafés and restaurants… public facilities whose principal function is to foster inter- and intra-communal relationships, alongside businesses which are designed to bring people together in a physical location while also pursuing commercial interests" [9]

Places with better social infrastructure find it easier to respond to, withstand and recover from crises. The experience of the pandemic has reinforced the importance of the social fabric and its supporting infrastructure for economic and social resilience: Bennet Institute research has shown that towns with more community facilities tended to have a higher number of mutual aid groups per head of population.[10] Research from the Nuffield Foundation found that people living in local authorities with higher levels of recent investment in social cohesion were more likely to have engaged in volunteering and social activism during the pandemic than people living elsewhere in Britain, were more likely to report their relationships with family and neighbours had improved during the pandemic and felt more optimistic about the future.[11] Simply put, towns with more and better places for people to meet will tend to foster stronger and more inclusive communities. These, in turn, typically support stronger economies.

The value of social infrastructure

"There is considerable evidence to suggest that efforts to improve or protect playgrounds, libraries, pubs and community halls may be more significant for combatting the stagnation and decline of many towns in the short to medium term than investing in new dual carriageways or rail electrification near to them. And it seems probable that such interventions are more likely to touch the lives and well-being of the poorest and most vulnerable in many different local communities – a particularly important gain which improvements to transportation and digital connectivity may not guarantee to the same extent." [12]

Our evidence also suggests that places with a strong community sector, and what we might think of as strong community infrastructure, are better able to cope with economic, environmental and other shocks. They can 'bounce back' more quickly. A common theme across many of our case studies is that community-led activity is agile and responsive to changing community needs in a way that more centralised, top-down initiatives just cannot be for all their good intentions. This has been a significant asset during the coronavirus crisis. Community-led groups were often ably rapidly to repurpose their capacity and buildings to respond to immediate and emerging needs arising from the pandemic.

Chapter 4.

The value of community regeneration

Community groups repurposing to support local people through the pandemic:

In Wolverhampton, Acts of Random Caring CIC installed benches and bins in a green space which became an important meeting point for local people from the first lockdown in 2020. The group repurposed its community café and bike repair and maintenance shop to organise mutual aid and food packages. They had already been distributing 'community parcels' to address local needs before the pandemic, so they were able to scale up this activity and had good existing knowledge of who might need support. They also 'glammed up' an old fridge, filled it with books and put it on a street corner – with good signage – as a free resource for the community.

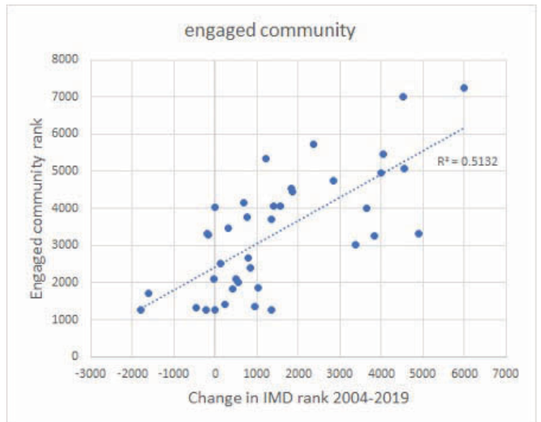
Watchet in Somerset, where Onion Collective CIC is based, benefits from over 140 different volunteering organisations, who work is supported by a strong network of local residents and businesses. When the pandemic hit, the community was able rapidly to organise a mutual aid group to get food, medication, stationary and other support to those who needed it, using local Facebook groups to mobilise volunteers.

Community infrastructure building resilience to environmental crisis:

For businesses in Hebden Bridge in West Yorkshire, the Covid-19 pandemic is not the first time they have had to shut shop for a significant period of time. Floods in 2012, 2015, and 2020 all led to significant damage to the town centre. The community-owned Town Hall, community-owned since 2010, has served as a fulcrum of efforts to rebuild in each case, with Hebden Bridge Community Association hosting and organising volunteers and helping the town build back.

Involved and empowered communities are better at improving social infrastructure and overcoming deprivation

It is not just that social infrastructure helps strengthen communities. Community involvement and empowerment also supports economic regeneration. Onward's important analysis of the New Deal for Communities programme shows that the NDC areas with greater levels of community activity and participation (as measured by the 'engaged communities' domain of the Community Needs Index) tend to have seen the greatest improvements to local deprivation over the 15 years since the programme began. [13]



In Onward's assessment, "there is a high degree of consensus in the academic and civic literature that regeneration is most effective when the communities in question are actively engaged in the process.

Evaluations of both the Single Regeneration Budget and the New Deal for Communities have stressed that approaches were more successful when community and voluntary groups were integrated into the planning and delivery of the regeneration project."[14]

The participation of communities themselves is essential

Arches Local in Chatham are clear that their neighbourhood needs investment. However, they believe that investment should be tied to and reflect a vision for the neighbourhood. They would like this to be developed in cooperation with local people so that it really cares about the town, reflects real problems and responds to the town's marvellous opportunities. Without this new vision for Luton Road, increased investment could reflect existing low expectations for the neighbourhood; they could make problems worse not better.

"Don't assume you know what the problems are. Park the data. Go to the place. Look at the issues first hand. Trust the people that live there."

Stephen Perez, Arches Local co-ordinator, Chatham

The traditional approach to economic development is valid and often necessary, but it is often insufficient to transform left behind places. Investment can fail to trickle down to neighbourhoods, and so leaves pockets of poverty and neglect, particularly in left behind places. Our case studies show how community-level action can ensure levelling up policies reach the neighbourhoods and individuals other programmes can't – even if they don't score as highly on conventional Whitehall metrics of outcomes or value for money. Many of the projects we feature as case studies have a strong emphasis on providing training to local people as part of their work to improve the local environment, and on creating learning and training settings which are accessible to those who often struggle to improve their skills through other means.

Chapter 4.

The value of community regeneration

Community-led training and skills

Great Yarmouth: The Great Yarmouth Preservation Trust's work not only improves the built environment, but also develops the skills and employability of residents. Its volunteering opportunities provide training in how to maintain and improve heritage buildings with particular characteristics that often require specialist skills in short supply. These volunteering opportunities are consistently over-subscribed. Involving local people in meaningful work to improve the local environment in this way fosters a strong sense of community ownership over the buildings and spaces created. The Trust works with local charities and public bodies including Mind, Youth Offenders, Voluntary Norfolk and Neighbourhoods that Work, as well using local radio, newspapers and social media, to communicate its work and the meaningful volunteering opportunities it provides to a wide range of local people, including those with high barriers to employment.[15]

Leicester: For the ethnically, religiously and linguistically diverse city, Highfields Centre has long served as a 'purposeful community education centre', supporting many individuals and families to gain the skills, qualifications and knowledge they have needed to move on in their lives. The Centre's website address - https://highfieldscentre.ac.uk/ - reflects its special role as a community centre and education provider. The Centre worked first with the local polytechnic, which became De Montfort University, and then with the University of Leicester, to offer recognised entry-level and higher-education qualifications in a setting accessible to mature students and others who are less likely to engage in training. Through this model, Highfields Centre has supported many people with access to university education and professional employment, although in recent years this success has slowed down as mature students have been dissuaded by rising university fees and loans.[16]

Hull: Self-help housing project Giroscope combines improvements in buildings and spaces with improvements in local people's skills and employability, supporting the local construction skills base. Throughout the renovation process Giroscope provides work experience and training to local unemployed people, with a focus on those who are disadvantaged in the labour market, such as ex-offenders and people with learning difficulties. Giroscope has sometimes struggled to recruit enough trainers with the right skills to support the group's strong emphasis on upskilling volunteers. The group takes on challenging refurbishment projects, converting old buildings which have fallen into serious disrepair into high-quality homes fit for the future. The construction techniques needed are sometimes highly specialised, and it can be difficult to find people with the right skills as well as the ability to support others in developing them. The wages Giroscope can offer have sometimes also been a barrier to attracting the right staff. However, over decades of successfully finding, purchasing and refurbishing neglected homes across West Hull, Giroscope has built up considerable institutional knowledge which often serves to fill skills gaps and keep projects moving.[17]

These and other projects demonstrate the vital role civic organisations play both in upskilling local people and in addressing local skills gaps, where the skills needed to maintain heritage assets or improve old, energy inefficient homes do not exist, for example because market incentives alone don't make building recovery viable in some places. Of course, private and public sector builders will also benefit from having this pool of skills available to them, and may choose to undertake different projects if they know they have access to a pool of labour skilled in meeting local construction needs / working with local materials. In this way, community-led regeneration builds people's capacity to maintain and improve the local environment while ensuring that skills, employment and wealth are developed within the community.

A wide range of experts – from the OECD and World Bank, to the RSA and the Centre for Progressive Policy – have made the economic as well as social case for what has been termed 'inclusive growth'.[18]

Power to Change research shows that community businesses are better at providing jobs, services and volunteering opportunities to disadvantaged groups and moving people from unemployment into work – 18% of community business employees had previously been unemployed.[19]

"[Community businesses surveyed] felt that employing those disadvantaged from the labour market had a number of potential benefits to the individuals, including breaking cycles of long-term unemployment, building self-esteem and confidence and improving mental and physical wellbeing. This in turn was felt to contribute to the economic growth of the local area as a result of providing employment for local people, and reducing unemployment levels and reliance on welfare support, as well as helping to ensure that money stays/is spent in the local economy."
Power to Change[20]

In other words, the provision of social infrastructure and the involvement of communities themselves underpins successful economic development. It is not an 'extra' designed to address political pressures or to provide window-dressing for 'real' economic investment. It matters.

Chapter 4.

The value of community regeneration

Giving communities control over assets like key buildings can be the most effective at achieving community empowerment, and can act as a counterweight or even solution to the negative impacts of harmful ownerships

Assets-based community development

There is a growing interest in asset-based forms of regeneration, using what already exists within a community and turning them into long-term assets that generate value and sustain ancillary activity. There is a strong academic literature around Asset-Based Community Development, and numerous methodologies established for identifying and unlocking the (often hidden or under-utilised) assets of a community, whether physical or social.[21]

Without proper community engagement and empowerment, conventional economic development models can risk creating unintended consequences, particularly when they interact with the property market and the current high risk planning system. For example, regeneration plans – or even just stated ambitions – can incentivise some investors to leave commercial assets or heritage buildings unused while waiting to extract capital gains in the future, waiting for the tide of public sector investment to float their boat. In other situations some landlords may take advantage of proximity to more prosperous places, or those with unmet housing needs, to acquire homes in poor condition for letting at the bottom end of the PRS market.

> "We need control over our own spaces"
>
> Good Things Collective CIC, Morecambe

Collyhurst in Manchester became a Big Local area in 2013. Residents have worked with the Centre for Local Economic Strategies and environmental regeneration charity Groundwork to rebuild their area's identity and explore its economic strengths via a partnership of residents, business and schools. However, initial progress has been hampered by uncertainty over the community's future. Various regeneration plans have been proposed for Collyhurst over the last ten years but were subsequently abandoned. Waves of demolition and population decline have resulted in the loss of shops and social infrastructure. Many residents fear they will be displaced if the latest regeneration proposal from Manchester City Council comes to pass, making it more difficult to organise the community around an ambitious vision for its future.[22]

Dumfries has one of the lowest levels of residential living of any high street in Scotland – the result of well-meaning attempts from Dumfries and Galloway Council to improve post-war housing conditions by building new housing estates away from the town centre, and the introduction of larger chains (backed by pensions funds and other institutional investors) which preferred storage to residential uses above shops. With little investment in high street properties in the years that followed, Dumfries high street gradually saw conditions decline and vacancy rates in ageing stock increase. Midsteeple Quarter, a community-led group working to regenerate and repopulate the high street, described how in many cases, the investor owners of empty high street stock are "trapped by their balance sheet", unable to accept lower rents or to sell up to see shops brought back into use because of the impact this would have on the book value of property.[23]

In **Morecambe**, the Good Things Collective CIC has a strong focus on rehabilitating empty, derelict and underused buildings and spaces across Morecambe. This approach provides immediate opportunities to deliver training, work experience and a pathway into better-paid employment in construction work for local people. It also helps to develop the local economy in Morecambe. It brings more places, spaces and buildings into community ownership and disrupts the long-established situation where public spending, in the form of housing benefits and other social security payments, moves through Morecambe and into the hands of absentee owners, rather than being retained and recycled in the local economy. This approach also allows the CIC to build asset-value over the long term, and an asset base which the group can use to borrow to rehabilitate and repurpose further buildings and spaces.[24]

Chapter 4.

The value of community regeneration

Hippocratic regeneration

It is critical that, in seeking to level up left behind places, interventions should 'first, do no harm.' This means recognising the harm that can be done by private actors reasonably pursuing their own interests, or by poorly planned public interventions. It also means acknowledging that the job of intervention is sometimes to stop bad things happening as much as to start good things. This can run counter to the 'action this day' bias of political and policy debate. Community involvement in designing regeneration, and particularly in taking control over land and buildings, can be a powerful tool for preventing and counteracting these negative effects. But it is not always quick. Good things rarely are and the best fruit does not normally hang on the lowest branch.

The history of regeneration programmes, and recent evidence of success, strongly suggest that a focus on community control of assets, land and buildings is a good way to engage and empower communities; ensure regeneration plans are appropriately designed; overcome damaging distortions to the process of economic development; to improve social infrastructure; and ultimately to increase economic prosperity and wellbeing.

What assets are communities targeting?

Analysis of community sector data[25]– from Power to Change, Locality, Plunkett Foundation, Co-ops UK and the Architectural Heritage Fund – shows that, despite the limitations of the current system, there is a modest pipeline of assets ready to be supported by the Community Asset Fund.

- Approximately 1,366 buildings and spaces are estimated to have the potential of moving into community ownership in the next five years.

- Almost a third of the overall pipeline (405 assets) is considered 'ready to go' i.e. the community ownership proposition is sufficiently viable to take place successfully in the next 1-2 years.

- An even higher proportion (39 per cent or 541 assets) of the potential buildings and spaces that could move into community ownership are located in areas of high deprivation i.e. situated in LSOAs in IMD 1-3 deciles.

- Community hubs are the most common form of asset within the pipeline reflecting the multi-purpose nature of such building projects. Almost a quarter (24 per cent or 328 assets) of the overall pipeline of assets are recognised as multi-purpose community hubs.

- Community shops are the most viable type of project within the pipeline in the short-term, with 43 per cent of shop projects likely to transfer into community ownership in the next one to two years.

Clearly there is material demand for increased community asset ownership. But despite some slow but significant progress, the existing framework of rights and funding for supporting communities to acquire assets is not capable of delivering this potential.

As part of its Big Society and localism agendas, the coalition government of 2010-2015 launched a consultation into a proposed 'Community Right to Buy' for England, modelled on the right that had existed in Scotland since 2003. This gives local communities the right of first refusal to acquire assets of community value that come for sale, at a fair market price. However, the government then pulled back from the proposal to give communities in England the same rights as those in Scotland. They feared that "the impact on property owners would be more restrictive, especially on the sale price" and considered that the "disadvantages outweigh the potential to provide additional benefits to communities."[26]

Although it fell far short of the Scottish Community Right to Buy, the resulting Right to Bid and the associated process for registering 'Assets of Community Value' (ACV) created by the Localism Act 2011 was nonetheless a major step forward.[27] It has real symbolic value, can improve community awareness about local asset ownership and encourages communities to collaborate to target assets that may otherwise be lost. The fact that listing as an ACV is a material consideration in planning decisions can be the

most powerful feature of the Right, as it can encourage owners to accept lower valuations.

Despite these strengths, the Right to Bid is flawed and in practice it has been used far less than was hoped or expected. This is for two reasons. Firstly, its efficacy depends largely on local authorities' widely varied attitudes and practice. Some are helpful. Some, frankly, are not. Secondly, property owners are still free to sell to whomever they wish at whatever price they like. Hardly surprisingly only approximately 15 out of every 1,000 assets listed (1.5 per cent) have actually been acquired by communities.[28]

Capital for acquisition remains a major challenge, as is pre-purchase funding for feasibility studies, leading to issues sustaining ownership after acquisition, as many groups struggle to develop viable business plans. While acquisition is expensive in high value areas, generating sufficient income from assets can be more challenging in lower value

Chapter 4.

The value of community regeneration

places, especially in the absence of accompanying support for generative businesses and uses (see Chapter 3). By contrast, the Scottish system allows communities to nominate assets and register interest (as in England), but then to buy at a fair (independently assessed) price, supported up to 95 per cent by the Land Fund. This has been transformative in the Highlands and Islands, and has been tested through Scottish and European courts and found to be sound in human rights law.

Because communities must raise large sums quickly to acquire assets via the Right to Bid, the distribution of community owned assets is highly unequal. The highest numbers are in less deprived, rural local authorities. By contrast, the most deprived 30 per cent of neighbourhoods contain just 18 per cent of assets in community ownership.

In addition to its fundamental weakness, there are specific technical flaws in the Right to Bid:

- Asset owners can sell the company owning an asset as a 'going concern', without triggering the moratorium on sale due to its listing as an Asset of Community Value. This is expected to become more common as more owners realise that it is possible.

- Many communities want to acquire buildings because they have been left empty for long periods. However, this very status can prevent them being listed as ACVs. Buildings need to have been in community use 'in the recent past' to qualify as ACVs.

- Permitted development allows owners fundamentally to change buildings even after a building has been listed as an ACV, potentially destroying their community value (for example if a pub becomes a home).

With so many weaknesses in the Right to Bid it is hardly surprising that, ten years after its introduction, practitioners generally advise communities to use other routes to acquire assets wherever possible, such as negotiated market sale, or rural exception site planning policies. However, these alternative routes are also fraught with their own difficulties.

Community Asset Transfer can be painfully slow

In September 2014, Gatis Street Adventure Playground in Wolverhampton was threatened with closure and redevelopment. A group of volunteers acted quickly to protect a green space that mattered to the neighbourhood, setting up the Acts of Random Caring Community Interest Company. They intended to complete an asset transfer process from Wolverhampton City Council within the first six months. However, in May 2021 that process had yet to conclude. It has been frustrated by negotiations around responsibility for different repairs jobs, delays gaining formal council approval and personnel changes in the council's Corporate Landlord Department. Seven years is too long.

Community asset ownership has been tested and proven to be highly effective at achieving positive regeneration, community empowerment and bottom-up economic growth. The levelling up agenda must have community ownership and other models of community asset use at its core. A new wave of community asset acquisition should be a central objective. This will mean improving the legal framework; increasing the available funding from public and private sources; making its terms more flexible; and addressing wider market and technical barriers to communities taking on and maintaining a bigger role in driving the sustainable regeneration of left behind places. Finally, it will mean tackling some of the weaknesses in existing rules that make leaving property vacant and derelict a profitable business strategy.

1. Support community asset acquisition

Policy proposal i: create a genuine Community Right to Buy registered Assets of Community Value, at an independently assessed fair value

"Don't assume you know what the problems are. Park the data. Go to the place. Look at the issues first hand. Trust the people that live there."

Stephen Perez, Arches Local co-ordinator, Chatham

Ten years after the proposed Right to Buy was watered down to become the current Right to Bid, the time has come to transform it into a genuine Community Right to Buy, so that English communities can benefit from powers equivalent to those elsewhere in the United Kingdom.[29] This must give communities the right of first refusal to purchase Assets of Community Value that come to market, at a fair price assessed by an independent valuer. The six-month period that the Right to Bid legislation gives for communities to mobilise and secure the funding and local support required should also be extended to a year.[30]

At the same time, legislation must address the technical flaws and loopholes in the ACV process:

- The sale of listed ACVs as 'going concerns' should be treated in the same way as other sales.

- The new commercial to residential PDRs should not apply to ACVs, as recommended by the MHCLG Select Committee.[31]

- Periods in which the asset was left vacant should be removed from the definition of 'recent past', so that such assets can still be listed as ACVs.

On its own, this would still leave the decision to sell in the hands of property owners – although combined with the proposed Right to Regenerate it could trigger sales of vacant or derelict property (see below). But it would give communities priority to acquire property when it came up for sale, at a price reflecting a fair value, rather than allowing property owners to hold out indefinitely for a possible higher sum.

Chapter 4.

The value of community regeneration

Policy proposal ii: update law and guidance on best consideration to encourage more Community Asset Transfer from public authorities and charities at prices reflecting social value

The 'best consideration' rules already allow public authorities to take into account the full range of social and environmental factors when determining the best price for asset sales. Nevertheless, and despite this, authorities often assume that they are legally bound to demand the highest price. In practice, this can make Community Asset Transfer difficult or impossible. This is can particularly be the case for public agencies such as police, fire or health authorities that do not treat community regeneration as a core objective. However, it can also prevent local authorities from using their assets to support socially-valuable uses.

Similarly, charities including major landowners such as the Church of England, say that they are currently unable to recognise the social value of selling assets to community organisations, due to their legal obligation to seek the highest price for their assets. Charity law and Charity Commission guidance should be updated to bring it into line with the new best value regime governing public authorities' disposal of assets, explicitly allowing for consideration of social and environmental benefits.

Policy proposal iii: expand the Community Ownership Fund to at least £250m and make the criteria for future bidding rounds more flexible

The Community Ownership Fund is now open with around £125m for community organisations in England to bid for over the next four years.[32] This offers communities up to £250,000 in capital funding (£1m for sports clubs), which must be 50 per cent matched by the bidders, and up to £50,000 in revenue funding (if no more than 20 per cent of the total funding). There will be new funding rounds every six months, and the government has said they will adapt these criteria as necessary.

This funding is very welcome – but if the government is serious about putting communities at the heart of levelling up it needs to be significantly expanded and explicitly linked to a new Community Right to Buy. The combination of powerful rights and significant funding has made community ownership genuinely transformational elsewhere in the United Kingdom. The Community Ownership Fund would need to be roughly tripled to put English communities on an equivalent footing. However, we heard evidence that the Scottish system, which funds up to 90 per cent of the asset price, can encourage community asset acquisition to go ahead with too little thought for the long-term financial viability of the project. In this light, the requirement on communities to raise a significant share of the match funding provides a useful discipline. It should be retained.

Similarly, there is often a good case for loan funding at affordable rates as part of the financial package for asset acquisition (see policy proposal v in Chapter 6).

> "Give us the powers and half the money and we can acquire the assets we need to transform our community"
>
> Jess Steele, Hastings Commons

The Whitehall tendency towards centralised control needs to be overcome, to allow for greater flexibility in how the fund is applied. This will make it easier to support the diverse needs of different neighbourhoods. Specifically, the criteria for future rounds of bidding should be adapted to allow for a higher proportion of revenue funding, as it is clear that community ownership frequently requires ongoing support to get from the start-up stage to a sustainable business position. Some flexibility in the amount of match funding demanded will also be needed. Finding 50 per cent can be an insurmountable barrier to some communities. There should also be greater flexibility on the maximum amount that can be granted. Some larger assets will need more than £250,000, which is currently only applicable to sports clubs.

Policy proposal iv: extend and reform Social Investment Tax Relief (SITR) to enable much greater use of private capital for community asset acquisition.

In addition to public funding sources there is growing interest from social investors in supporting community asset acquisition, as it offers a secure asset base, potential for income generation and social benefit. Social Investment Tax Relief was introduced in 2014 to help social enterprises attract investment capital, as they are largely excluded from other sources of tax-advantaged or equity investment.[33] However, take up has been lower than expected, largely due to its complexity and limitations placed on the scheme. At Budget 2021 SITR was extended for a further two years, but its future remains uncertain. As Danny Kruger MP has pointed out, left behind places need a combination of grants and loans – and the levelling up agenda needs to harness private as well as public investment. The government has recently consulted on the future of SITR. it should respond with a bold simplification and expansion of the scheme, to channel more private capital into community investment in left behind places. This has been called for by Big Society Capital and others. [34] This should include guaranteeing SITR for ten years and adjusting the rules to permit the letting out of acquired assets. The list of activities eligible for SITR should be expanded to include community ownership of renewable energy generation and care homes, and refinancing of assets already in community ownership. CGT rollover and IHT relief should be allowed for community acquisitions with an asset lock, in line with the rules for affordable housing investment.

Chapter 4.

The value of community regeneration

"Private investment in our communities is such a necessary element of the social model we want to create that more should be done to stimulate retail social investment. ….it is vitally important that alternative means are found to grow the social investment market and further the progress that has been made in recent years."[35]
Danny Kruger MP

2. Put community asset ownership of a sustainable footing

Policy proposal v: allow levelling up funding streams to provide more revenue funding and capacity support for local and community projects

Community organisations can struggle to maintain assets and achieve a secure financial position after acquisition. They need support to make the transition from campaigning to successfully managing assets for the long term. But many of the levelling up funding streams announced continue three longstanding Whitehall preferences:

- for time-limited capital funding over revenue support;
- for larger organisations with an established track record over new, grassroots ventures;
- for large scale hard infrastructure rather than more locally-sensitive social infrastructure.

Analysis of levelling up funds

Current levelling up funding streams reflect ingrained assumptions about the higher value and greater returns associated with large-scale infrastructure projects designed to improve connectivity. Looking across the various funds dedicated to this ambition, one recent estimate suggests that £163 billion of the total £172 billion that has been allocated has been directed to projects of this kind (Pro Bono Economics 2021; Whittaker 2021). The remaining £9 billion is earmarked for investments locally that may incorporate social infrastructure but are also likely to reflect the focus upon economic growth and improved connectivity. These include the Levelling Up Fund (£4.8 billion), the Towns Fund (£3.6 billion), the Community Renewal Fund (£0.22 billion) and the Community Ownership Fund (£0.15 billion). Davis and Collinge (2021) estimate that 87% of the Levelling Up, Community Renewal and Community Ownership funds combined is likely to be allocated to capital investments which are predominantly focused upon physical infrastructure. [36]
The Bennett Institute for Public Policy

As a result, there is a real risk of underfunding the sort of community-focused regeneration that left behind places need, in favour of expensive infrastructure schemes of more questionable benefit for local communities.

Kindred investment fund

The Kindred fund has been set up with £6.5m from the Liverpool City Region Combined Authority and Power to Change, to provide investment and support for socially trading organisations in the Liverpool City Region.[37] Its investment is available for a diverse variety of organisations producing social value and comes on exceptionally flexible terms – alongside non-financial business support to help social trading organisations survive the pandemic and become sustainable.

Policy proposal vi: create a public register of community assets to support their legal protection

At present, asset lock provisions in community asset ownerships can be broken by insolvency processes, resulting in assets being lost from the community sector entirely. The Thust inquiry into Protecting Community Assets has recommended that a Community Asset Protector should be written into the deeds of community owned assets, tasked with preserving the community interest, with whom the administrator is required to liaise with should the initial community group fail. The Inquiry also proposed creating a public register of community assets to facilitate this process. [38]

Policy proposal vii: encourage more collaboration between property owners and community organisations

Community asset ownership is rightly regarded as the gold standard model of community-led regeneration, as it brings many advantages such as the ability to raise finance and to generate long term income streams to support further community activity. However, the bulk of town centres assets are currently and will always be in private ownership. Effective ways must be found to help such private owners contribute profitably to wider positive regeneration. While some commercial property owners may lack the incentives or the capacity to do so, others are increasingly realising that their long-term interests are best served by supporting community-led regeneration and diversification to drive local economic vitality. Recent research by Power to Change found that investors like Legal & General, Ellandi and New River REIT are responding to the oversupply of retail property, which is particularly prevalent in left behind places, by actively considering how their property portfolios can be repurposed to meet community needs and accommodate a more vibrant mix of uses and tenants.[39]

"[Town centre] transformation can only succeed with the active engagement of private property companies and investors, as they are the owners of a significant proportion of the UK's high streets. Unlike retailers and other occupants who can surrender their leases, landlords and developers have assets, the value of which they need to protect and enhance. As such, private property owners and developers have both the incentive and the means to help bring about high street and town centre transformation."[40]
Power to Change

Chapter 4.

The value of community regeneration

Positive collaboration with private and public property owners will often require models other than community asset ownership. Done well, non-ownership models can offer community organisations certain advantages, especially at the early stages of project developments. By not requiring large capital sums for acquisition or the legal complexities of asset transfer, they can lower the entry costs and risks associated with trying new approaches to regeneration.

For example, 'meanwhile uses' – where property owners allow community uses to occupy vacant sites or buildings temporarily – can be a good way for community business to get going. They avoid leaving retail property empty and get things going while redevelopment is underway.

Meanwhile uses

Dumfries. The 'meanwhile use' refurbishment of The Oven as part of the Midsteeple Quarter in Dumfries immediately brought the building back to life on the high street. It created a new community space and attractions prior to its re-development as a permanent community space. This has generated a buzz amongst the local community and raised perceptions of what can be achieved in the town.[41]

Wakefield. Property investor NRR has developed a strong relationship with The Art House in Wakefield, which currently occupies 17 vacant units in the town's Ridings Shopping Centre through its Makey Wakey project. Started in 2019, Makey Wakey reinvigorates empty spaces in the shopping centre with temporary exhibitions, installations, studio spaces and other not-for-profit activities. The project supports a variety of independent artists, artist groups and community enterprises. Makey Wakey takes on the 'white box' units at a reduced rent, together with 100 per cent rates relief as a charity, until a permanent tenant is found. They then have 30 days' notice to vacate. NNR pays a small amount in return to the project in respect of the business rates that would otherwise be payable [42].

Dover. Big Local are taking a variety of approaches to reposition Dover as a destination rather than just a place to drive through. They have a two-year lease on a former Co-Op and Peacocks shop, which had been purchased by Dover District Council for redevelopment. Dover Big Local have leased the space for a meanwhile use while the council develops its plans and seeks planning permission. The group has valued the opportunity to take on a space in a low-risk way and to experiment with different community uses and services. They have used the space to establish a business incubator with controlled rents for local start ups and other local businesses, as well as affordable activities for local residents. [43]

Going further, some private and public owners of commercial property are experimenting with entirely new forms of lease that are more responsive to the changing needs of small businesses and local communities alike. Turnover leases, pioneered by pension investor Legal & General, adjust the rents on commercial property according to the occupying businesses' ability to pay – effectively sharing the risks and uncertainties of retail between the property owner and the business. Some local councils have started experimenting with social value leases, that discount the amount of social value created by occupying businesses from their rent. Islington Council in London is also using its planning powers to secure affordable workspace for social value businesses in new developments, in much the same way as affordable housing is secured through Section 106 agreement.[44]

> What we're aiming to do with Midsteeple Quarter is create a regeneration engine for Dumfries, to generate revenue to invest in the public realm and be part of the management and custodianship of the town centre."[45]

3. Empower communities to tackle dereliction and neglectful ownership

Policy proposal viii: deliver on commitments to full transparency of property ownership

The disturbing lack of transparency about who actually owns the high street has proved to be a significant barrier to greater community asset acquisition. It is almost impossible for communities or local authorities to tackle absentee owners of vacant of derelict property if they do not even know who to contact. Significant concerns about opaque, often off-shore, property ownership have been raised for many years and the government is now piloting local public registers of ownership based on Land Registry data. This is welcome.

Chapter 4.

The value of community regeneration

Since 2016 the government has also pledged to launch a public beneficial ownership register of all property by 2021, which would enable communities to identify overseas owners. There is currently no sign of this.[46] This commitment should be honoured immediately: full transparency around commercial property ownership on the UK high street is essential for effective regeneration and community acquisition. It would also support a more accountable property market in general.[47] These aims would also be greatly assisted by integrating digitised Land Registry data with the planning and tax systems.

Policy proposal ix: extend the proposed Right to Regenerate to allow councils to require improvement to eyesore buildings and tackle speculative dereliction, and give communities the right of first refusal to acquire derelict public land and buildings

Local communities and their elected representatives are frequently frustrated by the persistence of derelict buildings and empty sites blighting their neighbourhoods. Sometimes these are just cases of unintentional neglect, from rundown street frontages to entire abandoned buildings. In other cases, owners are deliberately leaving property derelict for many years while they wait for more advantageous financial conditions, a more lucrative planning permission, or the opportunity to freeride upon others' investment. In each case the neighbourhood suffers real harm from the denigration of the local environment and the opportunity cost of local assets going to waste.

'The farming of dereliction'

Formerly the headquarters of local newspaper The Hastings Observer, the Observer Building closed for business in 1985, taking 500 jobs with it. The building quickly fell into serious dereliction. Over the next 30 years, the Observer Building changed hands 13 times and had 10 different planning permissions approved. In each case, the approved plan was not delivered, but was instead used to trade the building on for a profit without physical investment. During thirty years of blighting the high street and absorbing council planning resources, absentee owners were able to extract millions of pounds of value despite none of their investments in the property actually contributing to the place or the wider local economy. One local organiser poignantly described this process as "the farming of dereliction".[48]

Local authorities do have an existing power to issue Repair Notices, and a broader power to issue Section 215 notices, applicable to any land or building if 'its condition adversely affects the amenity of the area'. The local authority can specify the works required, and if the owner does not carry them out, the authority can do so themselves and bill the owner. The authority can place a charge on the property to secure the debt incurred, and can then enforce a sale at auction if the debt is not paid. However, these powers clearly are not frequently used, or even widely known about – despite 2005 government guidance encouraging their proactive use.

Local authority capacity and culture may be significant barriers to greater use of Repair Notices. However, it is also clear that the existing powers are too weak and the process overly bureaucratic. Currently, Section 215 does not allow local authorities to take ownership of the property, and even an enforced sale at auction runs the risk of a new equally problematic owner acquiring it. The related powers to issue Repair Notices for listed buildings do allow the local authority to compulsorily purchase the building if the owner has not taken action two months after the notice is issued, as long as the Secretary of State confirms it. However, this only applies to listed buildings.[50]

The existence of the Great Yarmouth Heritage Trust gives the local authority an organisation to which they can transfer listed buildings, so as to prevent dilapidation or misuse. This then de-risks local authority action on heritage buildings and sites. In the past, Great Yarmouth Borough Council was sometimes reluctant to take enforcement action on heritage grounds because of the risk that this would lead to a costly, time-consuming and adversarial CPO process.[51]

In January 2021 the government announced a consultation into a proposed new 'Right to Regenerate'. This is intended to enable individual members of the public and community groups to require councils and public sector to sell unused land and assets. As such, this would be an improvement on the existing Right to Contest. It should help communities to tackle the problem of public land and buildings being left to fall into dereliction. However, if it does not go further it risks repeating the mistakes of the

Localism Act rights, which have been far too weak and bureaucratic to achieve their desired impact. A Right to Regenerate must include a right of first refusal for community groups, in line with the Community Right to Buy proposed above.[52] Communities will rightly object if this new right does not apply to a derelict site blighting their neighbourhood, just because it happens to be in private rather than in public ownership.

The proposed Right to Regenerate legislation presents an obvious opportunity to close the loopholes, streamline the bureaucracy, and give communities the tools they need to improve their neighbourhoods.

- The grounds for issuing Section 215 notices should be extended to include sites with planning permission left vacant, where the harm to amenity comes from the opportunity cost rather than dereliction per se.

Chapter 4.

The value of community regeneration

- The ability to enforce a sale should be enhanced, so that the local authority would not have to issue a Section 215 notice; carry out works; incur a debt; and then lay a charge on the property before being able to apply for a compulsory sale. Instead, the local authority could simply issue a Section 215 notice, and if the owner failed to take action within two months (the period before Repair Notices can be enforced) then the local authority could enforce a sale at auction.[53]

- The best of the existing Repair Notice and Section 215 systems should be combined – so that local authorities could issue notices requiring improvement of any land or property harming amenity, and back this up with the threat of compulsory sale or compulsory purchase, without requiring the Secretary of State's individual approval.

- The process and definitions should be in line with the proposed Right to Regenerate vacant public land. In this way communities can tackle blight and dereliction regardless of who is the owner.

In combination with the proposed Community Right to Buy, this proposed Right to Regenerate would effectively give communities, in collaboration with local authorities, the power to acquire Assets of Community Value left vacant and blighting their town centres and neighbourhoods.

Tackling vacant property using the proposed powers: a hypothetical example

A heritage cinema building on the high street has been left empty by its owner for many years. It has fallen into dereliction.

A community group registers the property as an Asset of Community Value, using the proposed exclusion of the vacancy period to establish that it was previously in community use.

The council issues the owner with an improvement notice under the proposed enhanced power, and after two months a compulsory sale is triggered.

Under the proposed Community Right to Buy, the community group has a year to raise the funds to acquire the property at a fair value, as assessed by an independent surveyor.

The community group secures half the funds needed from the Community Ownership Fund and raises the other half from a combination of the local authority, local businesses and local residents themselves.

These new powers would significantly enhance the ability of communities and councils to improve left behind places quickly and efficiently as well as incentivising property owners to engage positively with regeneration efforts in the first place.

Policy proposal x: reform compulsory purchase law to enable more strategic plan-making and land acquisition in and around towns, and to prevent pricing pressures from undermining regeneration

Asset based policies can fail if they are too weak to overcome damaging incentives or misleading behaviour by property owners: this is the criticism levelled at the well-intentioned rights created by the Localism Act 2011.

Atmos Totnes is a community-led project to re-develop the former Dairy Crest site next to Totnes rail station, a derelict brownfield industrial site since the closure of the Totnes Creameries in 2007. Since 2014, Totnes Community Development Society (TCDS) has worked to develop the 8-acre site in a way that is community-led and exemplary. The community-led plan includes 99 homes (62 of which to be genuinely affordable), a 58-bed hotel, workspace for local businesses to provide at least 160 jobs, a health and wellbeing centre, a new music, theatre and arts venue, flood defence for Totnes and training opportunities for local people through the build, management and maintenance of the site.

In keeping with the Community Right to Build Order process, planning was approved in November 2016 in a referendum, with 86 per cent of votes cast in favour of the scheme. However, days before TCDS and site owners Saputo (Dairy) UK were to finalise existing sale agreements for a whole site purchase, and after months of detailed negotiating and finalised contracts, the site was instead sold to a private company, Fastglobe (Mastics) Ltd. The new owners hired a QC and successfully pressured South Hams District Council to declare the Community Right to Build Order made on the site to have expired, and its influence over the Joint Local Plan to be null and void. In this instance, the Community Right to Build Order power ceased to be effective as soon as private interests decided to challenge it.

It's not hard to see why this can happen. Relatively low property values combined with long term regeneration and public investment plans create the perfect conditions for acquisition of assets by absentee owners with little or no interest in local neighbourhoods. To prevent these market pressures fatally undermining positive regeneration efforts, public authorities need to be able to send clear signals to the market that purely extractive behaviour which undermines wider neighbourhood regeneration will not be successful. This requires the possibility of compulsory purchase at fair market values to be a credible threat when it is absolutely necessary.

> "We will reform compulsory purchase orders to make them easier and less expensive for councils to use and to make it easier to determine the true market value of sites."
>
> Conservative Manifesto, 2017

Chapter 4.

The value of community regeneration

> "We recognise that we want councils to take a proactive approach to regeneration, including in the high street and utilising brownfield land. CPOs are an important part of that."
>
> Luke Hall MP, Minister for Regional Growth and Local Government [54]

Legislation from the 1960s and decades of case law since has weakened local authorities' ability to compulsorily acquire property to the point where it is only used in the most extreme cases, and incurring huge costs and delays. The Centre for Progressive Policy,[55] Civitas,[56] Onward,[57] Shelter[58] and the Communities and Local Government Select Committee[59] have all argued that the Land Compensation Act 1961 needs to be amended to ensure that the price paid under CPO reflects the true market value of a site's current planning status, not a theoretical 'hope' value that a future imagined planning permission might create. This would not be expected to lead to a major increase in compulsorily purchases actually happening. Instead, the knowledge that CPO could happen quickly and efficiently will normally help align property owners' incentives with regeneration plans. They will have more to gain by participating than from holding out.

In the vast majority of cases, we expect property owners to recognise that their interests are aligned with regeneration aims and, failing that, for negotiated sales or the Community Right to Buy to secure change of ownership. But it remains essential for the ultimate backstop of CPO to be a credible threat: without that, value-extractive property trading and gaming of the system always risk thwarting socially and commercially valuable efforts to regenerate left behind places. After years of promising to reform CPO law, and several ineffective tweaks to the existing process, the government now has the opportunity to grasp the nettle and set the rules firmly in favour of neighbourhood regeneration, an open market and the public interest.

The value of community regeneration References

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Highfields Centre, Leicester

Local authority:	Leicester City Council (Labour control)
Ward:	Wycliffe - Hanif Aqbany (Labour) Mohammed Dawood (Labour)
Constituency:	Leicester South - Jonathan Ashworth MP (Labour and Co-op)
Type of neighbourhood:	Inner-city area of Leicester with a rich mix of residential and other uses

Highfields Centre, Leicester

Background

The city of Leicester is one of the country's most ethnically, religiously and linguistically diverse, with over 50% of the population comprised of Racially Minoritised Groups (RMGs). Highfields Centre is located in the heart of this vibrant and diverse community, with 85% of residents in the immediate neighbourhood from RMGs. Originally the community had large Irish, African Caribbean and South Asian populations but has since expanded to include more groups from the Indian sub-continent, Eastern Europe and parts of Africa and the Middle East. Since the 1990s the Somali population has rapidly increased, in large part due to the ongoing civil war.

Leicester features a number of culturally-specific services designed to meet the needs of particular groups, but Highfields Centre is unusual in being a community-led service that explicitly sets out to represent and serve inner-city Leicester in all its diversity, bringing people together across different age groups and backgrounds to learn, gain qualifications, improve health and wellbeing and enjoy leisure time.

Opened in 1974, Highfields Centre has long been a cornerstone of the Highfields community, offering training, equipment, activities, meeting space and other resources to support newcomers and long-time Leicesterians to thrive. Behind Highfields Centre is a large public housing estate and only two miles away is Narborough Road, frequently referred to as "the most diverse road in Britain". The Centre was built as part of an estate regeneration project from 1972, with terraced housing demolished and replaced by high-rise blocks. Leicester's early South Asian and African Caribbean migrant communities, in conjunction with the households who were rehoused through this process, got organised to better

represent their interests through the regeneration process, and Highfields Centre was one result.

Project

For the community, Highfields Centre has served as a "purposeful community education centre", supporting many individuals and families to gain the skills, qualifications and knowledge they have needed to move on in their lives. The Centre's website address - https://highfieldscentre.ac.uk/ - reflects its special role as a community centre and education provider. The Centre worked first with the local polytechnic, which became De Montfort University, and then with the University of Leicester, to offer recognised entry-level and higher-education qualifications in a setting accessible to mature students and others who are less likely to engage in training. Through this model, Highfields Centre has supported many people with access to university education and professional employment, although in recent years this success has slowed down as mature students have been dissuaded by rising university fees and loans.

Yet despite its long track record of success, throughout its early history Highfields Centre was the subject of a long struggle for control of its management and purpose between the community using it and different forms of local government. Control switched from Leicester City Council to Leicestershire County Council and back again as a result of local government reorganisations. One local administration planned to convert the Centre to a resource centre specifically for the Muslim community, sparking a legal, media and community campaign to preserve Highfields Centre as a space for the Highfields community in all its diversity, and to achieve the investment needed to allow the Centre to play this role more effectively.

In 2004, Highfields Centre underwent a near £5 million refurbishment to provide more services, including a nursery and a youth provision. It was a difficult time, as the community and Leicester City Council had different visions for the building. Highfields Community Association, the voluntary body responsible for the maintenance and oversight of Highfields Centre, then adopted a new management system to include representatives of user groups of the centre as well as other interested parties. Following many years of struggle with Leicester City Council's changing funding and community priorities, including four High Court actions and a long campaign for independence, in 2010 Highfields Centre achieved community governance through an asset transfer from the Council. Highfields Community Association now has a 25-year lease on the building from Leicester City Council, and this has been extended with the Association exercising an option for another 25 years.

Because of these difficult experiences, Centre managers are emphatic about the need for an independent office to help to resolve issues of unfair practice in the third sector, along the lines of Ofcom or ACAS. "There needs to be a way for community groups to access redress when things are being done in a way that is patently unfair and they cannot get redress through local councillors and MPs, and they haven't got the wherewithal to mount expensive legal challenges." While Highfields Centre has benefitted from relationships and media support which have allowed it to mount High Court challenges to establish its independence, managers stress that this route is not accessible to other groups around the country, which are often dissuaded from continuing to operate in the way they would like to, or which simply disappear.

Today, Highfields Centre is an invaluable resource to all members of the community, and since its independence from the local authority in 2010 it has served over 500,000 users. The Centre is open seven days a week for 322 days (and more by arrangement) a year, and provides an extensive range of services, including: pre-school sessions, youth clubs, English as a Second Language and other adult learning, advice (including welfare rights, employment and business), a gym and sports hall, aerobics and other classes, digital arts, film and video editing equipment, music and recording equipment, IT studios, a fashion suite, a performance arts theatre, community development, elders groups, meeting space and a café. Highfields Centre has a strong multi-generational focus, and seeks to combat social isolation amongst older members of the community through tailored arts and sports activities, as well as through a service to bring older people to the Centre and take them home afterwards. The Centre has also been at the forefront of fighting for the rights of Leicester's garment workers. The pandemic had slowed down progress on this issue but recruitment is currently underway for the new Leicester Garment Workers Advice and Support Project workers.

[1] Index of Multiple Deprivation, 2010

Highfields Centre, Leicester

Highfields Centre is now managed by a governing body, annually elected and composed of individuals from affiliated member groups. They meet bi-monthly to discuss issues and plan out the centre's programmes. Highfields Community Association is currently updating its membership system, and with its over 1000 individual members, who take part in volunteering, stand for election to the governing body and its committees, and contribute to the Centre in a host of other ways. Local community members are often consulted in the decision-making process in order to ensure that the centre is successfully serving the community in all its diversity, including groups which are often not thought about in the design of public and third-sector services. Highfields Centre also benefits from staff with a long-term commitment to the centre, including Centre Manager Priya Thamotheram, who has been in his role for 40 years.

Investment

Highfields Centre has honed its fundraising activities over the years, and has received financial and other material support from a huge range of public and third sector organisations as a result. These include Power to Change, the European Social Fund, Social Enterprise, Leicester Ageing Together, Locality, Big Lottery Fund, Office of the Immigration Services Commissioner, Talent Match Leicestershire, Investors in People, Leicester for Business, matrix, Sport England, Advice Leicester, Youth Futures Foundation and many others.

The Centre has taken steps to diversify its income away from council sources to reinforce its independence, accessing grants and contracts from other sources. With recent grant support and advice from Power to Change, Highfields Centre has upgraded its sports hall to generate additional revenue at weekends from renting out the space for weddings, conferences and other events, supporting the Centre's long-term financial sustainability and helping to subsidise loss-making community-focused activities.

Highfields Centre managers have found that the funding environment has become more challenging following the Great Financial Crisis, with councils having experienced significant cuts and more competition for support from grant making bodies with limited resources. Analysis conducted by the Centre has demonstrated how RMGs are systematically disadvantaged in access to funding from a range of sources, and managers have taken part in various advisory groups and boards to feed these issues back to decision-makers over the years. As one Centre Manager described it, "There is a pattern of disconnect between sources of funding and RMG communities."

Good Things Collective CIC, Morecambe

Local authority:	Lancaster City Council (No Overall Control)
Ward:	Harbour - Janice Hanson (Labour) David Whitaker (Labour) Darren Clifford (Independent)
Constituency:	Morecambe and Lunesdale - David Morris MP (Conservative)
Type of neighbourhood:	West End of Morecambe, close to the centre of this coastal town and seaside resort

Good Things Collective CIC, Morecambe

Background

From the late nineteenth century, Morecambe rapidly developed as a seaside resort and major British tourism destination, buoyed by ready access to and spectacular views of the Lake District's fells as well as Morecambe Bay's beaches and caves. This sparked a boom in the construction of guesthouses, hotels, piers, theatres, parks and promenades, with many built to distinctive art deco and art nouveau designs. The town's popularity continued to grow in the first half of the twentieth century, before a long economic decline took hold in the latter half. The growth of foreign tourism, out-of-town shopping centres and internet retail hit Morecambe hard, and local economic decline was hastened by incidents such as the loss of two piers from storm and fire damage.

Many beautiful, historic buildings in Morecambe's West End and across the town have been poorly maintained over the decades and have fallen into disrepair and disuse, reinforcing a strong sense of decline among residents and visitors. In common with other case study neighbourhoods with a historic economic focus on tourism, Morecambe today has problems with low-quality private rented sector housing, much of it owned by absentee landlords. The most serious quality problems are driven by conversions of former guest houses into low-quality HMOs. Partly because of significant quality issues in Morecambe's housing stock, house prices and rents are low compared to averages for Lancaster, the wider Morecambe Bay area and its prosperous rural hinterlands.

The physical decline of Morecambe's town centre mirrors declines in local health, educational and employment outcomes. The wards which make up the town centre show significantly worse life

expectancy than regional and national averages and are among the most income-deprived in England. The proportion of households using Universal Credit in these wards is double the rate for Lancaster City Council and is three to four times the national average. While the energy sector has provided more better-paid and secure employment in recent years, low educational attainment leaves many local households unable to access these jobs, and reliant on poorly paid and seasonal employment.[1]

Project

Founded in 2015, the Good Things Collective is a large membership Community Interest Company. It provides spaces and opportunities for people in Morecambe to take part in creative projects, start and grow businesses and develop their skills, networks and wellbeing. The Good Things Collective has a strong focus on rehabilitating empty, derelict and underused buildings and spaces across Morecambe, repurposing them to build the town's social and community infrastructure. The group aims to support and raise the visibility of Morecambe's emerging arts and community business network. As one organiser put it, "It's not that good things aren't happening in Morecambe, they're just often not seen."

The Good Things Collective was founded in response to this dilemma. Organisers were aware of many local people with creative and digital skills, sole traders and small businesses operating from kitchen tables and bedrooms across Morecambe. However, this activity had no physical presence and was often hidden from others in the community. In some cases, one street would have several people making and selling products with no knowledge of each other.

Beyond weak networks and poor visibility, this activity was also being held back by the poor conditions and lack of storage space found in much of Morecambe's housing stock, by low incomes and a lack of specialist equipment, and in many cases also by a lack of confidence, which was preventing some skilled local people from recognising they could be paid for their work. At the same time, Morecambe's legacy of beautiful but poorly-maintained and underused buildings represented both a drag on current perceptions of the town, and, for the Good Things Collective, an obvious opportunity to address the need for community spaces, and so to normalise enterprising behaviour by making it more visible. As one organiser put it, "There's no way to build and solidify the culture we're aiming at without a physical place to house it."

Firmly rooted in the community, the Good Things Collective initially worked with 50 local artists and creative entrepreneurs who wanted somewhere to showcase and sell their products. The group opened a gallery, online and offline shop and café in the West End. They partnered with a local writers' workshop, the Writing Room, to acquire the space with grant support from Morecambe's Big Local group, West End Million. Spurred on by the success of this project and the trust it helped to develop between volunteers and local creators, the group went on to develop a regular programme of events and activities, as well as more ambitious plans to transform local spaces.

For example, the group's Make It In Morecambe programme supports local entrepreneurs through peer support and training programmes. An "Introduction to Product Development" course provides local people with training in planning, designing, creating, marketing and launching a product. This course also feeds products back into the Good Things Collective's business to be sold through the online and offline shops, providing further support to local entrepreneurs and new income streams for the CIC.

In 2018, they opened the Good Things Community Art Studio in an empty unit in the Arndale shopping centre. Here, local people have access to shared equipment, such as easels, a screen-printing press, printers and photography lamps, and can book private or shared workspaces. While the café and gallery space has been closed during Coronavirus because of the difficulty of implementing social distancing measures, the Good Things Community Art Studio has continued to operate throughout the pandemic and lockdowns.

Working in close partnership with its local membership, the group has delivered a huge range of creative activities to build people's sense of what is possible in Morecambe and bring neglected spaces back into use in various ways: painting disused and derelict buildings to prevent high street blight; organising an immersive theatrical experience in a disused church; and creating art projects on Morecambe's beaches. Behind it all is the desire to recognise and promote the "good things" the West End has to offer,

[1] Promenade to Port Coastal Community Team, Economic Plan 2018-2021, March 2019

Good Things Collective CIC, Morecambe

to develop the existing skills in the neighbourhood and to connect people with each other.

Ambitions for the future

The Good Things Collective has set itself up as a Community Land Trust to drive the process of bringing disused local buildings into community ownership. The rapid growth of the group's West End gallery and café prior to the pandemic demonstrated local demand for this kind of community space, and the group is now seeking a larger space to support its expansion, with a focus on improving local people's access to "space, stuff and skills".

In 2018, the group was awarded a grant of £40,000 from the Government's Coastal Revival Fund to work up proposals to transform a long-term empty building in local authority ownership, Centenary House, into community hub spread across three floors. These plans have been adjusted to ensure the hub will be financially viable in the new conditions created by the pandemic. This has increased the total cost of refurbishment works, but means the new hub should become self-sustaining within three years of opening, and should generate a profit within five years.

The first floor will provide rentable workspaces and training space, while the basement will host hot-desking with internet access, storage space and a range of rentable equipment for woodwork, printmaking and other activities. The ground floor will include a café and displays of local people's work, and will be designed as a welcoming space for the public. The group has also generated interest in using the hub from local anchor organisations. For example, they are in discussions with the University of Lancaster about the potential to deliver a Foundation Business Degree from the hub, as a way of deepening connections between the people of Morecambe and their nearest university.

The Good Things Collective has so far raised £575,000 towards the total construction costs of £1,200,000, with £360,000 left to fundraise (not including internal fit out) in order to get started. They hope to begin building work in 2021, should funding and Coronavirus restrictions permit. As of December 2020, the group was developing the project's business case and was actively seeking grant support and bank loans to deliver the community's vision for Centenary House.

In the future, the Good Things Collective has ambitions to own and manage housing in the West End neighbourhood, with the aim of taking low-quality PRS homes, refurbishing them and letting them out to local people at affordable rents. In addition to improving the quality and affordability of local housing options, the group also sees purchasing these homes as a tool for building community wealth in Morecambe. More value can be achieved for the community from public spending on housing benefits where homes are in community ownership, than where homes are owned by absentee landlords.

Investment package

The Good Things Collective was successful in attracting early grant support for their work, helping to build their confidence and capacity. UnLtd funded the first year of the group's activities, so that they had the time and resources to engage the local community in Morecambe extensively on what the group should achieve and how it should be run. This gave the group space to experiment, build relationships and trust, and meant they were able to focus on building an ecosystem for change within and directly around Morecambe, without pressure to prioritise relationships with strategic partners and funders.

The Good Things Collective also accessed early funding from the Community Business Trade Up Programme, delivered jointly by the School for Social Entrepreneurs and Power to Change. Trade Up Programme funding was flexible and gave the group considerable autonomy. It also incentivised the group to develop a trading base quickly through a grant of up to £10,000, matching increases in trading income pound-for-pound.

The group has since accessed funding from Lancaster City Council, the Government's Coastal Revival Fund, Lancaster University, Local Trust, the European Social Fund, local Arts Council-funded charity More Music and others, as well as in kind support via volunteers from Lancaster District CVS and, of course, the Morecambe community.

Support from the Architectural Heritage Fund, in the form of grant funding, advice and training, has been particularly important, especially as the group has found it challenging to access support for its core project of rehabilitating Morecambe's buildings. The group has valued the Architectural Heritage Fund's understanding of the longer timescales needed for successful community-led regeneration of spaces and buildings. Funding for feasibility studies for refurbishment projects has been less challenging to access than capital funding for delivering those projects. Organisers from the Good Things Collective see building an asset base as key to their future sustainability and success, providing more income streams to reduce and ultimately eliminate their need for grant funding.

Of the £575,000 raised so far towards the transformation of Centenary House, £425,000 came from Lancaster City Council, who have owned the building for two decades. The project was awarded £50,000 in 2019 from Creative Civic Change, a funding programme delivered by the Local Trust, National Lottery Community Fund, Esmée Fairbairn Foundation and the Calouste Gulbenkian Foundation. The project has received a further £100,000 in 2020 from West End Morecambe Big Local, delivered by Local Trust with National Lottery funding.

Onion Collective Community Interest Company, Watchet

Local authority: Somerset West and Taunton District Council (Liberal Democrat control)

Ward: Watchet & Williton -
Ian Aldridge (Independent)
Hugh Davies (Independent)
Loretta Whetlor (Independent)

Constituency: Bridgwater and West Somerset -
Ian Liddell-Grainger MP
(Conservative)

Type of neighbourhood: Small harbour town on the Bristol Channel in north-west Somerset

Onion Collective Community Interest Company, Watchet

Background

As a harbour town, Watchet has a rich marine-based industrial past and a long history as a trading port, dating back over 1,000 years. In recent years the community has struggled to define itself in a changing economic landscape. The closure of Wansbrough Paper Mill in 2015 – by far the largest local employer in the town - was a severe blow, leading to the loss of 176 jobs and reinforcing a sense of decline. Local wages, social mobility and SME productivity are low and local transport connections poor. Watchet represents a pocket of deprivation, surrounded by prosperity that is nonetheless out of reach for many residents.

However, civic pride is strong in Watchet, and the community benefits from high levels of social capital. There are over 140 different volunteering organisations operating in the neighbourhood, whose work is supported by a strong network of local residents and businesses. When the pandemic hit, the community was able to rapidly organise a mutual aid group to get food, medication and other support to those who needed it, using local Facebook groups to mobilise volunteers.

Many local people reject the idea that Watchet is "left behind", emphasising the town's potential as a place with all the building blocks for success; what is required are economic opportunities to turn this enthusiasm and commitment into employment and investment in Watchet and its people.

Projects

Led by 12 Watchet locals, the Onion Collective CIC formed in 2013 after plans for a major private development of flats on Watchet's marina quayside fell through. In response, the Onion Collective

consulted the community to develop an alternative plan for revitalising the town. The group engaged widely to ensure their plan would respond to needs across the community, including from disabled people, younger people and other groups which had been under-served by recent development.

This first wave of community-led regeneration activity resulted in the restoration of the local Boat Museum, a new Visitor Centre, the conversion of a derelict field into a community garden and the founding of Watchet Community Makers to generate and progress further ideas for the town's future. Since then, the Onion Collective has worked to connect the different organisations and individuals committed to improving life in Watchet, tackle local unemployment and meet needs for housing and other development. As one Onion Collective organiser told us, "Real community-led regeneration is about creating the conditions for cooperation."

When Coronavirus hit, an ambitious £7 million redevelopment of Watchet's East Quay marina was well underway, aiming to enhance the town's cultural and tourism offer. The development will include a gallery, a restaurant, a geology laboratory, artists' studios, workshops, office space and meeting space. The East Quay project focuses not only on delivering the investment needed to support local employment and meet housing need, but on doing this in a way that enhances the public realm and placemaking in Watchet for all who live and work there.

While the pandemic has inevitably produced some delays on site, Onion Collective's long project lead times mean the development is still on track to open its doors in Summer 2021. The project is expected to create 203 new direct and indirect jobs in the community, and will ultimately generate more than £2.1 million annually in social and economic value in West Somerset.

The Onion Collective's work to revitalise Watchet doesn't stop here. Following the devastating closure of Wansbrough Paper Mill in 2015, the Onion Collective worked with the community to find a new industry that would be both economically and environmentally sustainable. The group is working with Biohm (a biomanufacturing company) to set up a joint venture, repurposing part of the former Wansbrough Paper Mill site as a biophilic materials centre. The business will use fungi to break down local waste resources (collected from other organisations and businesses in and around Watchet) to create sustainable materials that can be used in construction.

The joint venture agreement includes commitments to boost local employment and lifelong learning opportunities, ensuring that the people of Watchet see long-term benefits from investment in their place. Key to the project's success is a joint ownership model, so that control and returns are divided between the Watchet community and Biohm. Production is currently being tested on site, with plans to scale up to full capacity over the next five years.

Investment package

Underpinned by the skills and ideas of the Watchet community and its leaders, the Onion Collective and its East Quay development project have been successful in accessing funding from a huge range of public- and third-sector grant programmes. Its investment package is underpinned by around £5 million of investment from the Government's Coastal Communities Fund and the provision of a lengthy lease on the site from Somerset West and Taunton Council. This is backed up by £389,000 from Arts Council England, £240,000 from Place Based Social Action (a joint programme between the Department for Digital, Culture, Media and Sport and the National Lottery Community Fund), £150,000 from Esmee Fairburn Foundation, £120,000 from the Social Investment Business Group's community regeneration fund and £250,000 from Magnox Limited, part of the Nuclear Decommissioning Authority.

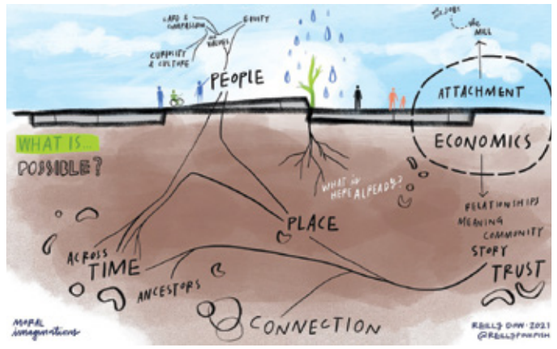
[1] Index of Multiple Deprivation, 2010

Onion Collective Community Interest Company, Watchet

In December 2020, the East Quay project was awarded a further £389,000 Capital Kickstart grant as part of the Government's £1.57 billion Culture Recovery Fund, supporting the East Quay build to manage the impacts of the pandemic. The group also has access to a £1.5 million loan facility from Somerset West and Taunton Council to address any remaining funding gaps in the project. The project has received support in kind from individuals and organisations from every sector.

The Onion Collective and Biohm have been similarly successful in fundraising for the biophilic materials centre project, attracting grant support from the Friends Provident Foundation, Waitrose Plan Plastic and Power to Change, with initial seed funding from the FORE Trust.

Beyond funding for specific projects, the Onion Collective has benefited from financial support and advice from Power to Change, helping the group to develop capacity and sustainable income streams from which to cross-subsidise its community regeneration activities. In fact, the CIC has been so successful since its 2013 founding that it now undertakes paid consultancy work to help other communities build their own local regeneration plans, and is working with Power to Change to develop this into a new model of community business peer support.



Chapter 5.
Renewing homes and neighbourhoods

Left behind neighbourhoods need… street-by-street investment and targeted intervention to… tackle problematic owners and bring homes up to standard

Policies:

1. Empower Homes England with a new mission-based remit to focus on retrofitting, quality, regeneration, and long-term placemaking; and more devolved decision making

2. Create Neighbourhood Improvement Districts giving non-profit bodies the right of first refusal on homes that come up for sale, and which are prioritised for all asset purchase and retrofitting funds

3. Repurpose the Energy Company Obligation after 2022 as an area-based programme of domestic retrofits, delivering training, quality assurance and evaluation

Funding:

1. Bring forward the £3.8bn Social Housing Decarbonisation Fund at the next Spending Review

2. Launch a £1.3bn National Housing Conversion Fund for long-term, non-profit organisations to purchase homes in low-demand neighbourhoods in preparation for retrofitting works

3. Renew the Community Housing Fund with sufficient revenue grant support for developing community-led housing organisations

4. Pump prime social investment funds for retrofitting homes

Hidden Levers:

1. Allow social landlords flexibility to use the Recycled Capital Grant Fund for retrofitting works

2. VAT equalisation for renovation and new build

3. Bring forward legislation to abolish Section 21 of the Housing Act 2004 through a Renters Reform Bill within this Parliamentary session

4. Pilot a minimum-standard approach to Local Housing Allowance rates in a Neighbourhood Improvement Districts

Chapter 5.

Renewing homes and neighbourhoods

Thriving places need hubs, hearts and high streets

Left behind communities span every region of the country, including seaside resort towns, former coal mining villages, peripheral post-war social housing estates, former industrial hubs, and recently-prosperous places which have lost a major source of employment. Almost all left behind places share the problem of poor-quality housing that is relatively affordable compared to homes in nearby places, yet not affordable enough to permit an increase in owner-occupation based on low local wages.

This creates powerful incentives for prosperous places to relocate low-income, homeless and vulnerable households to their left behind neighbours, justified by the lower per capita costs of housing those entitled to government support in more affordable places. Yet when this strategy is used at scale across the country, it creates concentrations of low-income households with little consumer power in neighbourhoods which were already struggling with ageing, poorly maintained housing in need of investment.

Individual households' affordability constraints limit their ability to find better accommodation, while the threat of Section 21 'no fault' evictions makes it impossible for many renters to demand maintenance, repairs and other improvements for fear of losing their homes.

Morecambe's West End

Many beautiful, historic buildings in Morecambe's West End and across the town have been poorly maintained over the decades and have fallen into disrepair and disuse, reinforcing a sense of decline among residents and visitors. In common with left behind places with a historic economic focus on tourism, Morecambe today suffers problems with low-quality private rented sector housing, much of it owned by absentee landlords – a mix of people who used to live in the homes but then moved away and let them out rather than selling them (often to avoid crystalising equity loss), and investors with no connection to Morecambe, attracted by the good yields on offer. Quality problems in Morecambe's PRS are driven partly by conversions of former guest houses into low-quality houses in multiple occupation (HMOs). Partly because of significant quality issues in Morecambe's housing stock, house prices and rents are low compared to averages for Lancaster district, the wider Morecambe Bay area and its prosperous rural hinterlands.

Chapter 5.

Renewing homes and neighbourhoods

"We have seen neighbourhoods where absentee landlords have little interest in contributing to the management or reputation of an area, undermining the local authority's or housing associations' efforts to improve it."

National Housing Foundation Great Places Commission

There have been many attempts to tackle this kind of neighbourhood decline over the years, and many good reasons for doing so; as a way to promote local skills and employment, to improve health and wellbeing by addressing housing conditions, and to attract more prosperous newcomers to struggling places. But success has been patchy, and in many cases the scale of regeneration efforts has simply not been sufficient. It is now hoped that the urgent need to retrofit the country's housing stock to eliminate operational carbon use will finally provide an incentive powerful enough to achieve action on the scale needed to upgrade homes in left behind places.

Retrofitting homes: a national imperative

Upgrading the UK's stock of existing homes to meet the Government's commitment to reach net zero carbon emissions by 2050 is a huge challenge right across the country. Domestic energy consumption accounts for around 30 per cent of the UK's total energy budget and 20 per cent of UK greenhouse gas emissions. Since 80 per cent of the homes we will be living in by 2050 have already been built, a nationwide programme of deep retrofits and refurbishment of the existing stock is the only way to deliver the required carbon savings.[1] The Government has consulted on proposals to require new private rented sector lets to reach Energy Performance Certificate (EPC) Band C by 2025, with existing lets to follow by 2028. Meanwhile, the October 2017 Clean Growth Strategy sets out a target to extend the same tule to owner occupied and social homes by 2035.

To achieve this, the Construction Leadership Council estimates that the construction workforce needs to more than double – an additional 500,000 trade positions, with further skills and labour needs to co-ordinate this work.[2] Predictable pipelines of work are needed to develop the economies of scale necessary to bring down the costs of the various retrofitting measures needed in different places, and to develop supply chains, yet frequent changes to energy efficiency policy in recent years have made it more difficult to plan retrofit programmes and create durable funding models. The 2012 Green Deal was scrapped in 2015, having made just 15,000 loans. The Green Homes Grant launched in 2020 was likewise scrapped early, having allocated less than 2 per cent of the £1.5bn earmarked for it. These and other recent government programmes have been insufficient in scale, scope and duration to make much of a dent in the task of retrofitting the nation's housing stock, while perverse incentives still linger in the tax system.

On top of this generally challenging picture, left behind places face a perfect storm of adverse conditions which require special attention. Left behind neighbourhoods are more likely to be further north and / or coastal, and thus tend to experience colder and windier weather conditions than other places. Homes in left behind places are on average older and in worse condition than the average English home, increasing the costs and technical difficulty of getting homes up to standard.[3] As a recent report from the Smith Institute and the Northern Housing Consortium noted, across the North East, North West and Yorkshire and the Humber (where left behind places are significantly over-represented according to OCSI and Local Trust's working definition), nearly 1 million owner-occupied homes do not meet the Decent Homes Standard, together with a further 354,000 homes in the private rented sector. Nearly half of these non-decent homes in northern regions also have at least one person with a long-term illness or disability living in them, damaging quality of life and producing significant costs for the NHS and the social care system.[4]

Furthermore, the financial incentives and opportunities for making energy efficiency improvements in left behind places are severely constrained by a combination of low property values on the one hand, and an unsupportive policy environment on the other.

Retrofitting homes: the challenge for owner-occupied housing in left behind places

Almost half of households in left behind places live in homes they own,[5] but relatively limited house price growth over many years means that many do not have enough equity in their homes to finance

improvements. While there is clearly a place for loan schemes (such as the Coalition Government's Green Deal) to support energy efficiency improvements, we cannot assume that owner occupancy amounts to an ability to pay – particularly in left behind places, where household incomes are on average more than £7,000 lower than the average for England.[6]

Nor can we assume that owner occupier households can be incentivised to retrofit their homes through potential energy bill savings. While private renters are more likely to live in fuel poverty than households in other tenures, it is notable that the larger owner-occupied sector houses the greatest number of fuel poor households,[7] such that energy efficiency improvements will often be prioritised for improving comfort and wellbeing, reducing or eliminating potential fuel bill savings from retrofitting measures. The scrapping of the Green Homes Grant scheme in March 2021 means there is currently a policy vacuum in this area.

Chapter 5.

Renewing homes and neighbourhoods

Our case studies reflect the particular affordability challenges faced by many owner-occupier households in left behind places – as does other research.[8]

York Hill case study

Livin Housing's regeneration and retrofit of the York Hill estate in Spennymoor, County Durham, was complicated by tenure diversity, as many former social homes had transitioned to owner occupation under the Right to Buy – and some had then entered the private rented sector. However, the homeownership created on the estate in this way was often not sustainable. Prior to regeneration, many owner occupiers at York Hill were living in acute fuel poverty, unable to afford to either improve their homes or to move to more suitable accommodation.

Retrofitting homes: the challenge for social housing in left behind places

It can be even harder to get the incentives for participating in retrofitting schemes right in rented housing – whether private or social – because the short-term benefits of lower fuel costs and better living conditions will accrue to tenants, while landlords will benefit from any longer-term increases in asset prices or Net Present Value resulting from improvements to buildings. These split incentives, and the lack of resources to fund improvements, create particular challenges for social landlords, and underline the need for national policy to be more sensitive to local conditions in low-demand housing markets.

Around 36 per cent of households in left behind places currently live in social housing,[9] double the average for England. Low market values and low demand for homes across all types and tenures mean social landlords in left behind places rarely have the option to generate significant cross-subsidy from developing new homes for market sale or Low Cost Home Ownership tenures, a frequent strategy of social landlords in places with higher property values. This situation is compounded by the absence of Government grant for improving existing homes, as all subsidy is focused on building new supply.

Funding from the Affordable Homes Programme 2021-2026, worth £7.39 billion outside of London, explicitly excludes works on existing homes – however old or unfit-for-purpose. Funding will only be available for net additional homes on regeneration projects, beyond the original number of homes on an estate. Even the Recycled Capital Grant Fund (the mechanism used to reinvest historic grant which becomes available when, for example, supported housing is converted to general needs social housing) is subject to the same restrictive rules. While the focus on additional housing supply is understandable, it presents real problems for left behind places, which display clear signs of market failure: high numbers of empty homes, including in social housing; low market rents and prices; and low levels of short-term land value uplift from investment.

This problem reflects a broader bias in public funding towards new build in higher-demand housing markets - overwhelmingly in prosperous communities in the south of England. As recent research from think-tank Onward has discussed, this deafness to the particular needs of low demand housing markets is reflected in public spending decisions across the board; but it is particularly acute with respect to Homes England funding, which is explicitly prioritised for the places with the highest house prices.[10]

Evidence from our case studies shows the merits of using public funding and policy to support tenure shift as part of estate regeneration in left behind places, as part of a long-term strategy for creating the market conditions to support increased housing supply.

Positive tenure shift

At York Hill in Spennymoor, Livin Housing converted some private rented sector homes to Affordable Rent, and converted other private and social rented homes to homeownership. This included transforming 64 "hard-to-let" flats, which had previously attracted significant anti-social behaviour, into 32 highly-desirable three-bedroom family homes. In the process, homeownership rates at York Hill increased from 32 per cent to 62 per cent, while house prices doubled or even trebled in some cases.

Karbon Homes' work to regenerate the Cleadon Park estate in South Tyneside diversified tenure to include more market sale homes alongside social housing, while increasing the overall number of homes and ensuring seamless design across tenures. In this way, the estate regeneration maintained housing options affordable to local people on low incomes, while improving living standards and stability across the estate. Crime rates have fallen, resident satisfaction levels have increased, and residents now benefit from a local school, Ridgeway Primary Academy, with a 'Good' Ofsted rating. The value appreciation of market housing at Cleadon Park now outperforms the average for the North East region, opening the door to new opportunities to fund further improvements to homes and the broader neighbourhood using housing equity.

Chapter 5.

Renewing homes and neighbourhoods

While the need for social rented homes with secure tenancies and rents linked to local incomes in left behind places should not be under-estimated, it is crucial that these affordable homes are delivered as part of thriving, mixed communities in functional housing markets, including owner occupied housing. Only in this way can left behind neighbourhoods access the same opportunities to self-fund improvements that their more prosperous counterparts elsewhere enjoy, lessening their dependence on grant funding over the long term.

Retrofitting homes: the particular challenge for PRS housing in left behind places

Many owner-occupied and social rented homes in left behind places clearly require significant support to decarbonise. But the worst quality housing, with the most extensive retrofitting needs and the toughest disincentives against improvement, is overwhelmingly in the private rented sector - particularly in rural neighbourhoods, but also in many terraced streets in and around town centres. Conditions in Houses in Multiple Occupation (HMOs) are notorious and were frequently mentioned by our case studies as a particular problem, especially in former tourism hotspots, where HMOs have often been created from former guest houses. Housing markets in left behind places are characterised by a high and growing share of stock in the private rented sector, and by concentrated pockets of private tenants using Local Housing Allowance or Universal Credit to pay some or all of their rent.[11]

The way support with housing costs through the benefits system has evolved ensures that people living in places with low house prices, low local wages and high rates of unemployment and under-employment can usually still meet landlords' rent expectations. In fact, left behind places offer some of the best yields in the country precisely because of this dynamic,[13] making them attractive to absentee Buy to Let investors. Fuelled by the reduction in Stamp Duty for investment purchases from July 2020, the pandemic has brought a new spike in Buy to Let purchases across the country, but especially in left behind places. At the end of 2020, landlords were involved in seven out of 10 agreed sales in Blackpool and half of agreed sales in St Helens, for example.[14] There are signs that an increasing share of Buy to Let investors are purchasing properties further from where they live, with ever more landlords based in London and the South East looking northwards for more lucrative investment opportunities.[14]

Many of our case studies, including Back on the Map in Sunderland and Giroscope in Kingston-upon-Hull, describe the critical role of unprofessional, often exploitative Buy to Let landlords in allowing neighbourhood decline to set in, and in impeding efforts to improve local conditions. Often living in the South of England or further afield, landlords of private-rented homes in left behind neighbourhoods are frequently disconnected from the properties they own and the people who live in them. Many are inexperienced landlords lacking the skills and motivation to provide a professional service or to manage and invest in their homes adequately. Most of our case study neighbourhoods have also seen significant numbers of homes switch from owner-occupation to the PRS because the original owners moved away from the area and decided to let their homes out rather than selling them, sometimes to avoid crystallising a loss on the original purchase price. Like their Buy to Let counterparts, such "accidental landlords" often lack the knowledge and skills needed to manage property well.

Left behind neighbourhoods therefore face a vicious circle of broken incentives: since many households can only afford to pay local LHA rates, renters are stuck choosing between different low-quality, energy-inefficient homes, while private landlords operating in left behind places demonstrate a strong tendency to set rents at or around LHA levels regardless of quality, giving them no incentive to invest in their properties.[15] Across England, renters receiving housing benefits are 1.3 times more likely than other renters to live in homes in a poor state of repair,[16] an effect which will be supercharged in places with high concentrations of benefit-supported PRS tenants.

One consequence of this is that left behind streets and neighbourhoods often see private renting households undertake frequent house moves[17] in an attempt to escape fuel poverty and other poor conditions, with damaging effects for community stability and local people's sense of security.

The corrosive effect of a poorly managed PRS

In Hendon in Sunderland, Back on the Map described how on one street, multiple properties had fallen into disrepair and disuse as a result of landlords and letting agents failing to properly vet tenants. When one home was vandalised, burned out and left empty, the home next door became "hard to let". The landlord became desperate, and so the second home was ultimately let to the same people as the first. In this way, the problems "travelled along the terrace".

Homes in the private rented sector have tended to miss out on support from the supplier-led Energy Company Obligation (ECO) and other schemes, which in any case have not provided for the extent and depth of energy efficiency improvements needed.[18] It is clear that a more comprehensive approach will be needed to meet the proposed target of reaching EPC Band C for all private tenancies by 2028.

Broken incentives

We have seen plenty of evidence of excellent work being done to improve homes by housing associations and civic organisations of all kinds in left behind places. A raft of research demonstrates that retrofitting programmes offer multiple benefits for the economy, skills, employment, place quality, health and wellbeing, as well as for the zero carbon agenda. For example, the Chief Medical Officer has highlighted that for every £1 spent on improving cold homes, 42p is expected in annual NHS savings alone.[19] Research suggests the multiplier effect of home energy efficiency is significantly higher than other forms of investment such as road, rail or electricity generation infrastructure, with economic benefits likely to be felt in every community across the country.[20]

Chapter 5.

Renewing homes and neighbourhoods

The benefits of an ambitious, Government-backed programme to retrofit homes are plain; but it is not obvious how retrofitting can be scaled up to the level required to meet Government targets, or how to tackle the problem of misaligned incentives in the fast-growing private rented sector. It is difficult to even estimate average retrofit costs for left behind places – particularly given research suggesting EPC ratings and recommendations are not always accurate and appropriate for older homes.[21]

The English Housing Survey's estimate of the average cost to bring a private rented home up to EPC C is £7,646, rising to £18,858 for the least efficient homes.[22] Of course, we will need to improve homes to EPC A to fully decarbonise our housing stock by 2050. These figures are also likely to underestimate the costs of retrofitting the most left behind streets and blocks, where homes tend to be older, to have been built with "non-traditional" construction methods, and to have experienced decades of under-investment and neglect. Yet even these figures demonstrate the broken incentives at play: in many left behind places, it is not unheard of for a 2-bed house to sell for £15,000. This was the situation at York Hill in Spennymoor before Livin Housing worked with the community to regenerate the estate, for example. Properties in Great Yarmouth town centre have sold for as little as £16,000 in recent years.

There is little prospect for private landlords of such properties making a financial return on investment in retrofitting measures. High up-front spending on making homes more energy efficient generally requires very long-term ownership and scale to make sense as an investment proposition. This is particularly the case in left behind neighbourhoods, where – despite recent gains in most places as a result of the pandemic and related policy change – property prices have grown more slowly over many years compared to regional and local authority averages.

Some social landlords, too, are increasingly having to consider disposing of "hard-to-retrofit" homes in left behind places as a strategy for improving average EPC ratings across their stock, and to generate capital which can be reinvested in retrofitting works.[23] This may be a financial necessity for an individual social landlord, but they are acutely aware it is likely that these homes will become part of the private-rented sector in left behind places, where they are even less likely to receive the investment needed. Ultimately, some form of non-profit, long-term ownership must be found for these homes, together with some way of funding energy efficiency improvements for which there is no short-term financial rationale.

To unlock the full environmental, social value and investment potential of retrofitting homes in left behind neighbourhoods, it is necessary to move beyond a "home by home" approach to improvement, and instead develop area-based programmes to retrofit homes street by street or block by block. In this way, the urgent need to retrofit homes to meet the Government's legally-binding climate commitments can be leveraged to drive place-level improvements, which will ultimately be reflected in property prices far closer to local authority, regional, and eventually national averages. Because of the combination of older properties in need of more extensive works, limited land and asset values, and the need to improve places as well as buildings to overcome artificially depressed property prices, left behind places represent special cases: some homes here will need to be taken into some alternative form of long-term, not-for-profit ownership if they are to be improved.

Beyond the long-term opportunity to rejuvenate neighbourhoods and their investment prospects, in the short-term, many private landlords in left behind places face the prospect of being obliged to make expensive improvements which they cannot or do not want to pay for. These landlords need a way out. Government intervention is unavoidable, because the alternative is that these homes become bad assets; too expensive to retrofit and too inefficient to let out, they would be destined to add to the stock of empty homes already blighting many left behind neighbourhoods. The consequences for the levelling up agenda of abandoning so many homes and neighbourhoods to dereliction are obvious.

In reality, the sheer numbers of homes involved and their geographical concentration may undermine the credibility of any threat to remove them from the stock of lettable properties should they fail to reach EPC C by 2028, torpedoing whatever weak incentives currently exist for landlords to improve these properties. In other words, without robust government intervention, we will see struggling neighbourhoods left even further behind, as energy efficiency and housing conditions improve in the rest of the country.

How policy has discouraged the regeneration of left behind places

In designing the robust interventions needed, it is vital to understand how previous housing, planning and taxation policies have contributed to the problems of disrepair and neighbourhood decline. Most obviously, improving existing homes is disincentivised relative to new build through the tax system. While VAT on repair, maintenance and adaptation work to existing buildings is charged at the standard rate of 20 per cent, VAT is not levied at all on work to develop new buildings (see Chapter 6 below).

Secondly, while new homeowners have benefited from Help to Buy, this seems to have come at the expense of investment in existing neighbourhoods. Prior to the introduction of the Help to Buy Equity Loan in 2013, first time buyers making their first step onto the housing ladder provided an important source of demand for more affordable properties in more affordable neighbourhoods – which many of them went on to improve. Much of this demand, and the aspirational young families that came with it, has been redirected into new-build housing subsidised by Help to Buy, which in turn has incentivised the development of less dense housing on the peripheries of existing cities, towns and villages. Help to Buy homes across the North and the Midlands are characterised by higher floor space and higher numbers of bedrooms, but lower purchases prices, deposit amounts and equity loan amounts compared to national averages for the scheme.[24] So it is likely that Help to Buy has driven new development in the lowest-value parts of already cool housing markets. The regional price caps introduced for Help to Buy purchases in April 2021 are likely to reinforce this pattern; with the price cap for the North East set at just £186,100, it is difficult to see how the scheme can avoid directing

Chapter 5.

Renewing homes and neighbourhoods

new development towards peripheral greenfield sites capable of delivering new-build homes at lower values, rather than the regenerative development in existing neighbourhoods that left behind places need.

Consequently, our case studies and consultees described a marked tendency for private housebuilders to favour ribbon development or sprawl, rather than brownfield sites in left behind towns which often require costly mediation works as a result of contamination – which are often a legacy of these places' industrial histories. In other cases, such as in Great Yarmouth, low-density greenfield development in the town's rural hinterlands simply attracts higher prices than can be achieved without significant effort to improve heritage buildings in the town centre.

Thirdly, the bias in Homes England funding decisions towards increasing overall housing supply in the highest-demand housing markets has in many instances made neighbourhood regeneration in left behind places nearly impossible. The revisions made to HM Treasury's Green Book appraisal methodology for capital projects in November 2020 are welcome, as they allow for a greater emphasis on the strategic case for investment alongside the benefit-cost ratio in the economic case. This should support a more balanced distribution of housing and other public investment across the country, including in left behind neighbourhoods. However, further changes are needed to operationalise these Green Book revisions and ensure they are reflected throughout housing investment appraisal, as forthcoming work from Homes for the North will detail.

Finally, there is a troubling, and growing, new trend for Real Estate Investment Trusts (REITs) to bulk-buy street properties in left behind places, letting them to support charities specially created for the purpose, in order to profit from the enhanced rates of housing benefit payable for supported housing.[25] This trend threatens to create a dangerously unsustainable subsector, housing some of the most vulnerable people in society,[26] while providing yet another form of exploitative investment for left behind neighbourhoods to overcome on the road to genuine regeneration.

1. Use social housing decarbonisation in left behind places to kickstart retrofitting the nations' homes

While Government retrofitting targets provide more time for social housing tenancies to reach EPC C (by 2030) compared to private rented housing (by 2028), there is an opportunity to use the scale, capacity and consistency of ownership in the social housing sector to drive housing retrofit activity more broadly, particularly in the crucial early stages of a national effort to decarbonise the nation's housing stock at pace.

The Business, Energy and Industrial Strategy Committee

"There is a clear case - underpinned by the fact that this is Government-funded stock – that social housing should lead the way in terms of energy efficiency. Upgrading this stock could provide a route to scaling-up technologies, trialling innovation and driving down costs for energy efficiency across the market." [27]

The technologies needed to decarbonise our homes by 2050 already exist, but in many cases manufacturing is still small in scale, railing the costs of installing measures. One recent survey of consumers found just 6% of households are willing to pay for low-carbon technologies at current costs of up to £14,000.[28] We can expect these costs to fall as programmes are rolled out, as has happened for wind and solar PV technologies in recent years.[29] But this needs a critical mass of demand. Someone will need to go first, to bet on expensive environmental technologies and make the market, which will then reduce costs for everyone else. It is in everyone's collective interest, but in almost no one's individual interest, that this happens. The case for Government investment could not be clearer. Channelling this public investment through social housing avoids the risk of market distortion which would be seen in private rented or owner-occupied housing, as regulation of social rents and prices prevent subsidies from being converted into private gain – for example if newly-insulated private rented homes could be let out for a higher rents.

Social landlords often own whole streets, blocks and estates of homes, allowing for retrofitting solutions which require significant scale, such as district heating networks. They are also used to managing coordinated stock upgrades, and can make use of other planned works to reduce costs and disruption for tenants.

Finally, case study evidence from estate regenerations at both Livin Housing at York Hill and Karbon Homes at Cleadon Park suggests the Government should exercise caution with respect to conversions of social homes with lower EPC ratings to market housing under the Right to Buy. Since the principal purpose of Right to Buy is to extend homeownership to households who would not otherwise be able to afford it, it is crucial to ensure social homes have been retrofitted to a high standard prior to sale, to avoid locking in cycles of deprivation which drive neighbourhood decline.

Despite the policy advantages from prioritising social housing for domestic retrofit programmes, social landlords themselves have no direct financial incentive to decarbonise the homes they own and manage. As in the private rented sector, the immediate beneficiaries of more energy-efficient rented homes will be tenants, who will enjoy lower fuel costs, more comfortable homes and better health as a result. Unlike private landlords, social landlords will also not generally generate financial returns in the form of higher asset values – unless of course they sell social homes into the market via the Right to Buy or other mechanisms. If social landlords are to act as market makers for domestic retrofits, they will need to be supported with Government funding and policy flexibility.

Chapter 5.

Renewing homes and neighbourhoods

Policy proposal i: launch the £3.8bn Social Housing Decarbonisation Fund immediately

So far, the Government has announced around £160m worth of investment from the Social Housing Decarbonisation Fund up to 2023, but has not committed to any funding beyond the next financial year. The social housing sector requires long-term certainty on financing and policy from Government to scale up to meet the challenge of retrofitting its stock, while the repair, maintenance and improvement sector likewise requires long-term certainty on the demand for its services across the country to rapidly scale up capacity. The costs of retrofitting England's social housing stock to EPC C alone are estimated at £9.1bn,[30] with total decarbonisation of all social homes across the UK estimated at £104bn.[31] Government must take urgent action to kick start the process.

The House of Commons Environmental Audit Committee,[32] the Confederation of British Industry,[33] the National Housing Federation[34] and the Northern Housing Consortium,[35] have all called on the Government to bring forward the £3.8bn Social Housing Decarbonisation Fund at the next Spending Review, so that it can be used to build retrofitting skills, capacity and supply chains. This will then underpin decarbonisation of the nation's housing stock across all tenures, delivering cost savings at scale.

Policy proposal ii: grant greater flexibility in the use of the Recycled Capital Grant Fund for retrofitting works, on the condition that funds are used to retrofit homes to meet EPC targets.

As long-term social investors in many left behind neighbourhoods, social landlords are uniquely placed to play a crucial role in both decarbonisation and levelling up. The complex rules governing how social landlords deploy their considerable resources need to be made more flexible to allow them to invest more in retrofitting. Government should also take the revenue-neutral action of permitting social landlords flexibility to use the Recycled Capital Grant Fund, which was worth around £700m to private registered providers alone (excluding local authorities) in 2019-20,[36] to fund retrofitting and other regeneration works needed specifically to support retrofitting.

2. Launch a national programme of area-based retrofitting in parallel with social housing decarbonisation plans

Building on the early success of the Local Authority Delivery element of the Green Homes Grant scheme, housing retrofit delivery programmes across all tenures should be initiated and led by combined authorities (or by local authorities where no combined authority exists), which have the local knowledge and the ability to scale up existing expertise and capacity rather than starting from scratch. Learning from previous schemes, it is vital that capital funding for retrofitting homes gives delivery partners the long-term certainty needed to build supply chains, capacity and skills, and to undertake ambitious schemes. As the Construction Leadership Council and other expert bodies have noted, retrofitting the nation's homes will necessarily be a marathon, not a sprint;[37] the urgency of the task should not translate into unrealistic deadlines for bidding or for completing works.

Policy proposal iii: reshape the next phase of the ECO scheme to support area-wide retrofits for owner occupied housing, alongside social housing retrofitting plans and focusing on left behind places first

The Construction Leadership Council,[38] the APPG for Housing in the North, the Northern Housing Consortium,[39] New Economics Foundation[40] and others, have all recommended that the next phase of the Energy Company Obligation after 2022 should take the form of an area-based programme of domestic retrofits, supported by Government grants, funded by direct taxation and initiated and led by combined authorities or local authorities.

Local and combined authorities have a critical role to play in assuring the quality of retrofitting works, evaluating programmes, and ensuring training schemes are in place. This is essential to create the conditions for low-risk institutional finance to invest and for increased consumer confidence. Government will also need to consider the funding of local authorities if this is to work effectively (see Chapter 6).

Policy proposal iv: cut VAT to zero on both the labour and materials elements of core improvements to existing homes, in line with the treatment of new build development

It is also essential that the tax system supports rather than undermines Government objectives. Perversely, given the UK Government's world-leading target to reduce CO_2 emissions by 78 per cent by 2035, and reach net-zero by 2050, current VAT policy incentivises demolishing existing buildings and replacing them with new ones, discouraging the regenerative development left behind neighbourhoods clearly need as a foundation for the levelling up agenda. The RIBA estimates that the carbon embodied in new residential buildings accounts for on average just over half their lifetime greenhouse gas emissions. Using RICS standards and guidance, the final report of the Government's independent Building Better, Building Beautiful Commission estimated that constructing a two-bedroom house uses up the equivalent of 80 tonnes of CO_2, a staggering ten times the CO_2 produced by refurbishing a two-bedroom home.

Impact of reducing VAT on retrofit

Reducing the VAT rate to 5% on the labour element housing renovation and repair alone has been estimated to provide a £15.1 billion stimulus to the wider UK economy, and 95,480 extra jobs over five years – as well as saving almost 240,000 tonnes of CO_2 from 92,000 homes.[43]

Retrofitting existing homes is one of the absolute most important routes to achieving net zero carbon. Small wonder then that everyone from the Architects Journal,[44] the Building Better, Building Beautiful Commission and the UK Green Building Council, to the Home Builders Federation, Historic England and the TCPA[45] and many others, has long called for the alignment of VAT for core improvements to existing domestic buildings (excluding DIY and interior decoration) with VAT for new building, on both materials and labour. The time has come to finally fix this distortionary anomaly in the tax system.

Chapter 5.

Renewing homes and neighbourhoods

Policy proposal v: reboot Homes England to be a driving force for regenerating left behind neighbourhoods and decarbonising the housing stock

The Government has made welcome moves to rebalance housing and other public investment across the country by revising to the Treasury's all-important Green Book appraisal methodology. It is vital to adapt the way Government agencies responsible for placemaking operate in left behind places.

The Building Better, Building Beautiful Commission final report in 2020

"There is also a crucial need to change the management targets for teams and officials in Homes England, as well as the highways, housing and planning teams in central government and councils, creating a new focus on quality and outcomes as well as quantity." [46]

Social housing providers in left behind places often have productive relationships with Homes England's regional fund managers, whose better understanding of local market conditions enables them to champion context-sensitive investment. Levelling up presents a major opportunity to correct the centralising tendencies, the excess focus on new supply and the southern bias of Homes England's remit, and give the agency a critical role in improving left behind places. To do this it will need a new mission-based remit, more devolved decision making, and new objectives, targets and investment timeframes to increase the focus on regeneration, quality and long-term placemaking – as identified by the Building Better, Building Beautiful Commission.[47]

3. Create Neighbourhood Improvement Districts to secure area-wide housing improvements across all tenures

A large-scale programme of locally-managed, area-based retrofit, incentivised through the tax system, will offer multiple benefits compared to a piecemeal, supplier-led, home-by-home approach. By combining improvements to optimise the performance of a building as a whole, we can avoid the unintended consequences which have undermined the efficacy of previous piecemeal schemes, such as higher energy bills where insultation is installed without proper consideration of moisture and ventilation.[48] Groups of properties in some neighbourhoods will be suitable for off-site solutions which require scale,[49] or for the district heating networks that will be critical to achieving decarbonisation, but currently serve only 2% of the UK's heat demand.[50]

Area-based renewal

Since 2011, the Granby Four Streets CLT has been working on regenerating streets in Liverpool that were previously dominated by empty terraced houses, purchasing and refurbishing them. The group cleans streets, paints empty homes, plants gardens and organises markets and events. The local community owns land and leases some parcels and buildings for various uses and development projects, keeping control over prices and ensuring long-term affordability and community benefit. They currently own approximately 150 houses across the Granby Four Streets area, with the ambition to purchase and renovate further homes. [51]

Giroscope is an award-winning self-help housing project based in West Hull. Since 1985, they have been renovating empty and derelict properties, bringing them back into use to provide affordable accommodation to those in housing need. Giroscope's founders saw the opportunity low house prices presented for local people to take control of their environment. Their model combines improvements in buildings and spaces with improvements in local people's skills and employability. Today, Giroscope purchases and renovates between 4 and 8 homes per year, and manages a stock of 128 secure, high-quality, affordable homes valued at approximately £7 million.[52]

Crucially for left behind neighbourhoods, an area-based programme will allow whole blocks and streets to be improved in tandem. Together with our recommendations on improving local transport, access to green space and tree coverage (see Chapter 2), this will drive place-level improvements which will be reflected in land and asset values to a far greater extent than could be achieved through a "home by home" approach. Without this level of area-wide improvement it is impossible to see how the housing stock of left behind places could ever reach net zero – or how values could close the gap with more affluent neighbourhoods.

This insight is key to many of our case study projects, many of which take over disused homes, shops and other spaces within a tightly-defined geographical footprint focused on one or two streets, often moving through contiguous buildings one by one. In this way they create enclaves of community-owned and controlled assets that establish a civic presence in the neighbourhood. Over time the enclave can demonstrate the benefits of achieving this critical mass, as empty buildings and derelict spaces are transformed into affordable homes, places for meeting, working or learning, pleasant green spaces or other social infrastructure.

Whereas a single building might become a community centre or an affordable home, a row of buildings can become a hub of different community resources or affordable accommodation; a street can become a new model for how to transform a place and the opportunities it provides for local people. This generates visibility for different ways of doing things, and crucially supports the development of hyper-local ecosystems of organisations and individuals working to improve a place (see Chapter 6).

Enclaves of community-led assets create more opportunities for people using different services engaged in different community activities to meet and more opportunities for people who live and work nearby to notice community activity and to come into contact with its outputs and benefits.

Chapter 5.

Renewing homes and neighbourhoods

As an aspirational civic presence takes root and grows, the fortunes of a neighbourhood and its artificially-depressed development values can turn around. This is the virtuous circle of place-focused, community regeneration in action.

To work, this approach needs to overcome the significant barrier of fragmented ownership. Livin Housing's experience of retrofitting and otherwise improving ageing housing stock on a complex, tenure-diverse estate in Spennymoor, County Durham, is instructive here.

Overcoming fragmented ownership

Livin found a way to enable income-constrained owner occupiers and other private owners to benefit from regeneration and retrofitting works - while avoiding using its charitable funds to subsidise private homes - by registering a second charge on their property deeds to provide access to interest-free lending. Livin worked directly with owners' mortgage providers to get buy-in for this innovative approach, and paid the legal fees involved in setting up the new arrangement to expedite the plans. Livin were also able to negotiate the purchase of private landlords' properties in most cases, offering private tenants more secure and affordable accommodation elsewhere on the regenerated estate.[53]

Livin's work at York Hill is commendable, but ultimately demonstrates the need for new policy approaches to extend retrofitting and broader regeneration works to owner-occupiers and private landlords with limited savings across the country. Local leadership and management of works is necessary to actively remove barriers to different types of households participating in retrofitting works, while more established mechanisms will be needed to finance works on private homes in ways that are affordable for owners, but which do not see public or charitable funds converted into private gain.

Charges on properties offer the potential to recoup public or charitable investment when homes are sold, while still allowing private owners themselves to benefit from house price rises to which retrofitting and regeneration works will have significantly contributed. But there will always be some private owners in some places who do cannot be convinced, and in these cases neighbourhoods will need ways to prevent individual owners from blocking retrofitting programmes.

Policy proposal vi: create Neighbourhood Improvement Districts, analogous to Community Improvement Districts, for residential areas requiring major retrofitting and improvement works

The Government should establish Neighbourhood Improvement Districts with special powers to overcome fragmented ownership in places where there is clear evidence of market failure – such as extremely low house prices relative to local and regional averages, poor energy efficiency ratings, poor conditions, a high rate of churn, and / or high levels of long-term empty properties. The key features of Neighbourhood Improvement Districts would be that community groups, housing associations or other non-profit bodies would have the right of first refusal on homes that come up for sale, in the same way that the proposed Community Right to Buy would give them the first refusal to buy Assets of Community Value. NIDs would also be prioritised for all asset purchase and retrofitting funds. Combined authorities, local authorities or local neighbourhoods themselves would propose areas to become Neighbourhood Improvement Districts via a popular vote in the proposed area.

Neighbourhood Improvement Districts will unify incentives across residences to support area-based retrofitting works, either securing the agreement of individual owners to participate in those works, or otherwise acquiring their properties. In most instances, the clear financial benefits on offer should make it possible to incentivise even the most reluctant private owners to participate in street- or neighbourhood-level retrofitting schemes. Nonetheless, it will be necessary to guard against the possibility that one individual owner of property within an otherwise promising Neighbourhood Improvement District (NID) blocks improvement works. In this case, it may be possible for the local authority – or another long-term non-profit owner, such as a Housing Association or a Community Land Trust – to purchase the property. However, there is then a risk that the private owner demands a price for their property far in excess of what they would have been able to sell for in the absence of the NID. In these cases, Homes England should be prepared to use its Compulsory Purchase Order (CPO) powers. CPO compensation rules will need to be updated to facilitate this by excluding consideration of theoretical planning permissions (see policy proposal 3 x). This will make CPO a credible threat and ensure that urgently-needed retrofitting works are not delayed by unscrupulous private owners.

Policy proposal vii: reduce the Local Housing Allowance payable on substandard private rented stock in Neighbourhood Improvement Districts

To provide a further incentive for private landlords to participate in area-based retrofitting schemes and prevent private rented sector homes in left behind neighbourhoods becoming bad assets, and blighting communities as empty homes, further action is needed. Reducing the level of Local Housing Allowance payable for properties which do not meet the Government's proposed minimum energy efficiency target of EPC C by 2028 will provide a clear financial incentive, without threatening to remove homes entirely from local housing supply. This can then act as a credible threat to drive participation in retrofitting works.

Building on the APPG for Housing in the North's recommendation in its November 2020 report,[54] the Department for Work and Pensions should trial linking payment of housing benefit to quality standards in the private rented sector, piloting a minimum-standard approach in a Neighbourhood Improvement District.

Policy proposal viii: honour the commitment abolish no fault evictions in this Parliament

The broader patterns of exploitative uses of the housing stock in left behind neighbourhoods by Buy to Let landlords, and the damaging impacts of this for community stability and safety, make it imperative to increase security and consumer power for tenants at the earliest opportunity. This means abolishing the "no fault" evictions currently permitted under Section

Chapter 5.

Renewing homes and neighbourhoods

21 of the Housing Act 1988 which are the root of the power imbalance between landlords and tenants. Tenants in left behind places must be able to raise concerns about the standard of their properties without fear of eviction, as argued by the APPG for Housing in the North[55], Lord Best's Affordable Housing Commission[56] and many others. The government has made repeated commitments to abolishing Section 21 and must now make good on its promises.

'We will bring in a Better Deal for Renters, including abolishing 'no-fault' evictions and only requiring one 'lifetime' deposit which moves with the tenant. This will create a fairer rental market: if you're a tenant, you will be protected from revenge evictions and rogue landlords, and if you're one of the many good landlords, we will strengthen your rights of possession."

Conservative Party Manifesto, 2019[57]

"A Renters' Reform Bill will enhance renters' security and improve protections for short-term tenants by abolishing 'no-fault' evictions and introducing a lifetime deposit."

2019 Queen's Speech[58]

4. Fund the building and transfer of homes into long-term, non-profit ownership in failing housing markets

Without significant financial investment, local authorities without their own housing stock have neither the capacity, the workforce, nor the infrastructure to purchase properties at scale and to provide ongoing management and maintenance. Local authorities in left behind places are also far less likely to have retained council stock than their counterparts in more prosperous places, so it is crucial to develop alternative models for transferring homes out of the mainstream PRS.

Likewise, civic organisations face an up-hill battle to achieve the scale needed to transform neighbourhoods. While there are some excellent examples of housing associations, Community Land Trusts, charities and other civic organisations acquiring and improving poor-quality properties in left behind places, within tight geographical footprints and across different tenures (including in our own case studies), this approach is hard work and faces many practical and financial barriers. Civic organisations are usually competing for properties with Buy to Let landlords, and increasingly also with well-capitalised REITs, both seeking maximum returns from the benefits system, rather than community regeneration.

Left behind places need new tools to restrict the ability of private investors to buy up properties, such as the Neighbourhood Improvement Districts we propose. They then need to get of these homes into the hands of more socially-motivated investors and service providers, which are uniquely incentivised to undertake improvement works in left behind places.

Policy proposal ix: fund a £1.3bn National Housing Conversion Fund to support transfer of properties in the lowest value housing markets to long-term, not-for-profit owners which commit to retrofit them to meet Government targets, prioritised on Neighbourhood Improvement Districts

A National Housing Conversion Fund centred on energy-inefficient homes in low-demand housing markets, along the lines set out by Lord Best's Affordable Housing Commission in September 2020,[59] could play a vital role in overcoming the hard financial barriers at play. Worth £1.3bn, a grant programme targeted at the bottom 10% of the housing market could enable private homes to transition into not-for-profit ownership. Funding would be available to housing associations, local authorities and community-led charities and housing groups, such as Community Land Trusts, in return for a commitment to undertake retrofitting works within an agreed timeframe.

Policy proposal x: renew the successful Community Housing Fund

Newly formed community led housing organisations, including Community Land Trusts, will require technical support to get to the stage when they can become incorporated and pay for professional services to help acquire homes or sites, or obtain planning consent. Whilst in the mainstream house building sector pre-development costs are built into the housing associations' or developers' standard business model, in the community-led housing sector the funding to cover these costs needs to be sourced. The recent announcement by Government of £4m revenue support for community led housing[60] is welcome but, as forthcoming research by the National CLT Network finds,[61] it is not sufficient to support current projects.

We therefore support the call from Community Led Homes, and as recently advocated by Richard Bacon MP in his independent review of Self Build,[62] for a long-term Community Housing Fund with sufficient revenue grant support for developing groups. The eligibility criteria for this new Community Housing Fund should be adjusted to allow groups to obtain revenue grants for projects involving conversions, to support the particular role of community-led housing in regenerating neighbourhoods.

Community-led renovations

Back on the Map in Sunderland is the charitable legacy body of the 2001-2011 New Deal for Communities (NDC) programme. The group responds to problems with poorly managed Buy-to-Let PRS homes in Hendon. This includes tackling empty and abandoned properties, vandalism, fly tipping and crime as well as poor housing conditions - overcrowding, poor energy efficiency and damp. Its goals are to directly improve housing conditions and improve local people's quality of life, first and foremost by purchasing poor-quality PRS and empty homes, refurbing and improving them and letting them to local people. Back on the Map uses the homes it renovates to provide good quality, stable, affordable housing in Hendon, acting as an exemplar private landlord and social lettings agency.[63]

Founded in 1979, Great Yarmouth Preservation Trust exists to preserve, safeguard and promote the cultural heritage of Great Yarmouth for the benefit of the people who live and work there. Great Yarmouth Preservation Trust began purchasing empty properties in 2013, using low-cost loans from Great Yarmouth Borough Council. The five buildings renovated so far have created a gallery with artists' studios attached, office space and high-quality affordable housing.[64]

Policy proposal xi: expand support for private social investment in left behind neighbourhoods, learning from the success of the Social and Sustainable Housing fund, by providing match funding on a first loss basis for social investment in retrofitting funds.

An area-based approach to driving up the energy efficiency of the country's existing housing stock will require a sophisticated package of support, one

Renewing homes and neighbourhoods

capable of transcending the problems of tenure diversity discussed above. While in many instances, the clear financial rewards on offer from strategic, neighbourhood-level action to retrofit homes should incentivise property owners across all tenures to participate voluntarily in schemes, some homes will clearly need to transition out of their current ownership and into an alternative form of not-for-profit ownership motivated by long-term financial returns.

Beyond the National Housing Conversion Fund outlined above, which will necessarily be limited by the availability of Government grant, one promising possibility for financing and facilitating this is the expansion of the social investment models, such as the Social and Sustainable Housing (SASH) fund[65] or the similar funds managed by Resonance or Cheyne Capital. Since impact investors are increasingly motivated by environmental and social outcomes, they could be the key to avoiding a scenario in which homes are demolished and replaced simply because the financial returns from retrofitting are too long-term to attract mainstream investors. In the SASH model, local charities that provide support for vulnerable groups borrow money on generous, risk-sharing terms from the social investment fund and use it to acquire homes to accommodate their clients. The properties are owned in perpetuity by the charities, which pay the social investors back over the 10-year term of the loan from the rental income, supported by housing benefit.

This model has been successfully used to help support providers acquire homes for their clients – but it could be expanded to support wider policy goals like the retrofitting agenda.[66] Government could pump prime social investment funds to allow local charities to acquire and retrofit properties, and so overcome the acute finance gap seen in left behind places and the problem of long-term incentives that have thwarted previous attempts at large-scale retrofitting. This approach could attract significant amounts of private capital on social terms. Quasi-grant public investment can take a 'first loss' position to minimise risk for impact investors. By operating at scale within defined areas, and combined with the right place-enhancing policies, left behind places could experience boosted property values sufficient to repay impact investors first, and then to repay the government's stake over the long term.

Beyond the urgent need to decarbonise housing, there are further reasons to question the sustainability of current Buy to let business models in left behind places. Private landlords operating at the lower end of the market report overwhelmingly negative experiences of the switch to Universal Credit,[67] while others are likely to struggle to adapt to the Government's planned Renters Rights Bill alongside other recent taxation changes. The mechanisms we recommend here would serve a broader purpose, providing an exit strategy for private landlords that ensures better outcomes for left behind communities – and, crucially, one which avoids private rented sector homes passing into even more exploitative forms of ownership in the future.

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Back on the Map, Sunderland

Local authority:	Sunderland City Council (Labour control)
Ward:	Hendon - Barbara McClennan (Labour) Lynda Scanlan (Labour) Michael Mordey (Labour)
Constituency:	Sunderland Central Julie Elliott MP (Labour)
Type of neighbourhood:	Residential neighbourhood south-east of Sunderland city centre

Back on the Map, Sunderland

Background

Back on the Map responds to problems with poorly managed Buy-to-Let Private Rented Sector (PRS) homes in Hendon. This includes tackling empty and abandoned properties, vandalism, fly tipping and crime as well as poor housing conditions - overcrowding, poor energy efficiency and damp.

There are over 850 PRS properties in the neighbourhood, owned by hundreds of landlords. Some landlords live in Sunderland or other nearby places, but many are based in the South of England or further afield and are disconnected from the properties they own and the people who live in them. Most are inexperienced landlords lacking the skills and motivation to provide a high-quality service. Many fail to manage and invest in their homes adequately, feeding a sense of social and physical decline in Hendon. Organisers we spoke to described how on one street, multiple properties fell into disrepair and disuse as a result of landlords and letting agents failing to properly vet tenants, including letting to individuals with a criminal record. When one home was vandalised, burned out and left empty, the home next door became "hard to let". The landlord became desperate, and so the second and was ultimately let to the same people as the first. In this way, the problems "travelled along the terrace".

These issues around absentee ownership and a lack of professionalism in the PRS are compounded by local conditions. High unemployment, low wages, unstable work, the roll out of Universal Credit and high levels of debt limit the stability of residents' incomes and ultimately their housing choices. Many residents move house frequently, with damaging effects for neighbourhood and community dynamics.

Project

Back on the Map is the charitable legacy body of the 2001-2011 New Deal for Communities (NDC) programme. Its goals are to directly improve housing conditions and improve local people's quality of life, first and foremost by purchasing poor-quality PRS and empty homes, refurbing and improving them and letting them to local people. Back on the Map uses the homes it renovates to provide good quality, stable, affordable housing in Hendon, acting as an exemplar private landlord and social lettings agency.

Starting with 62 houses purchased between 2008-2011, today Back on the Map has a portfolio of 120 homes. All properties are refurbished to a high standard, meeting and exceeding the Decent Homes Standard. These homes are then let responsibly to carefully vetted local families at around Local Housing Allowance rates. With a focus on building wealth and opportunity within Hendon, Back of the Map first seeks to find the skills it needs for renovating and managing homes within the neighbourhood before looking further afield.

Back on the Map is firmly rooted in the local community in Hendon, and its service offer is co-produced with local people. Over half of Board seats are reserved for local people to ensure it never loses this focus. 6 of its 12 full-time staff come from the area, supported by 29 local volunteers. They have improved the appearance not only of their own properties, but of entire streets through their award-winning Transforming Hendon project - a major contract which 'facelifted' 550 homes on some of the neighbourhood's most run-down streets.

Back on the Map champions community voices and works with residents, the police and the council to develop neighbourhood action plans and resident campaigns to combat Anti-Social Behaviour, appeal against Houses in Multiple Occupation and deal with graffiti, litter & fly-tipping. In early 2014, they took over the former Branch Library at Carnegie Community Corner from the council and transformed it into a multi-use community facility, which now provides a whole host of social, educational, cultural, employment, training and welfare support services. Before Coronavirus, the centre was open every weekday and some evenings and was used by over 900 individual residents each year.

Back on the Map has worked closely with Sunderland Council and with Gentoo housing association over many years to shape the rental market in Hendon to the benefit of local people. Sunderland Council is now expanding its market housing acquisition programme as well as building Affordable Rent homes in Hendon and similar neighbourhoods, providing a major boost to efforts to raise affordability, quality and safety standards for renters in Sunderland.

These three landlords play very different roles in Sunderland. The Council provides Affordable Rent properties at 80% of local market rents, targeted at the lowest-income households and often housing people from the broader Sunderland area. Back on the Map considered registering as a social housing provider, but ultimately felt that acting as a private landlord and charging rents at around LHA rates allowed it to better fulfil its distinct local role. This model allows the group to generate the surplus it uses to fund its community work and have a positive impact in Hendon far beyond the families it houses. It also gives Back on the Map the freedom to prioritise those with a local connection in its lettings policy, which is critical to its mission of building stability and resilience in a community which still experiences a lot of transience.

The group would like to see landlord standards in the area driven up further through regulation, for example requirements for Buy-to-Let mortgage lenders to ensure potential borrowers have the funds to properly maintain properties. Ultimately, Back on the Map would like to own or manage most rented homes in Hendon, to reverse the adverse effects of Buy-to-Let on the neighbourhood.

Back on the Map, Sunderland

Investment package

Back on the Map purchased its first 62 homes in 2008-11 using the underspend from its Transforming Hendon project, equal to over £2 million. Various central government grants have supported refurbishment projects over the years. In particular, funding from DCLG's Empty Homes Community Grants Programme supported Back on the Map to scale up its activities in its early years. Low-cost, long-term loans from Sunderland City Council have since supported the expansion of their property portfolio. Organisers emphasise the need for better access to affordable finance, for example from local authorities, to support community-led housing bodies tackling problems with empty homes.

The group has also benefited from charitable grants, including National Lottery funding and a £220,000 grant from The Virgin Money Foundation's Ripple Fund. Power to Change provided capital grant of £180,000 for a £280,000 project to convert four of Hendon's most problematic, long-standing empty 2-bed homes into 3-bed homes suitable for families.

Other grant-making bodies have supported Back on the Map's community service offer, with funding from the National Lottery underpinning many of the services delivered from Carnegie Community Corner. The Community Foundation also granted £30,000 to help convert an empty shop on Hendon's main shopping parade into a community venue.

Leveraging its long experience of planning, fundraising for and delivering community-led work to improve places, spaces and buildings, Back on the Map now also provides consultancy services to other community groups, generating additional income.

The charity's core model is now self-financing, supported by the high yields available in Hendon. In their experience, it is perfectly viable to provide high-quality, well-managed, secure housing at rents affordable to local people, including those using benefits to help pay the rent. The barrier to better rented housing in Hendon is not that the rents on offer locally are too low, but rather that landlords often lack the skills, capital and / or motivation to provide a good service and to maintain properties well.

A third of the revenue generated by Back on the Map's rents goes back into property improvements and repairs, with the remainder supporting Back on the Map's wider community activities. A proportion of annual surpluses is also recycled into further property acquisition. Sunderland Council also funnels some New Homes Bonus money back into the programme. The Back on the Map model now forms a sustainable and virtuous cycle, which will continue to grow in the years to come.

Giroscope, Kingston upon Hull

Local authority:	Hull City Council (Labour control)
Ward:	St Andrew's & Docklands - Daren Russell Hale (Labour) Leanne Fudge (Labour) Haroldo Guillermo Herrera-Richmond (Labour)
Constituency:	Kingston upon Hull West and Hessle - Emma Hardy MP (Labour)
Type of neighbourhood:	Residential area to the west of Hull city centre

Giroscope, Kingston upon Hull

Background

Much of Hull's housing stock is ageing terraced housing or system-built social housing from the post-war period. Many of Hull's older homes were built with "non-traditional" construction methods and today suffer from structural defects that are both technically difficult and expensive to put right. Over half of private homes in the city were built before 1945 and 29% were built before 1919. Many buildings have been poorly maintained over the years and have fallen into disrepair, resulting in pockets of empty, boarded up homes across West Hull. Derelict buildings contribute to a broader sense of neglect in a city suffering from industrial decline and the erosion of its employment, skills and training base.

Like many of our case studies, Hull suffers problems with low-quality private rented housing, much of it owned by absentee or "accidental" landlords attracted by the high yields on offer from buying property cheap and letting it out for the maximum local people can afford. In addition to a lack of well-paid employment in the area, a lack of decent housing options has become a barrier to retaining existing residents in Hull and attracting new ones – but with house prices low compared to the wider region, there are few incentives for the market to invest in homes here. Churn is high, leading to a feeling of community decline, insecurity and instability.

Project

Giroscope is an award-winning self-help housing project based in West Hull, conceived and developed in the mid-1980s by low-income young people seeking an alternative to the poor-quality private rented sector housing then on offer. It renovates empty and derelict properties, bringing them back into use to provide affordable accommodation to those in housing need. Giroscope's founders saw the opportunity low house prices presented for local people to take control of their environment. They purchased their first house using their "Giro" unemployment cheques and other borrowed money as a deposit in 1985, and set about renovating it.

Since then, Giroscope has scaled up its activities to play a major role in regenerating West Hull. Their model combines improvements in buildings and spaces with improvements in local people's skills and employability, supporting the local construction skills base at the same time. Throughout the renovation process Giroscope provides work experience and training to local unemployed people, with a focus on those who are disadvantaged in the labour market, such as ex-offenders and people with learning difficulties. Under the supervision of Building Skills Supervisors, volunteers receive training and experience across a wide range of construction skills. Some volunteers move into paid employment. Prospective tenants may be involved in the renovation of their future homes by participating in Giroscope's volunteer training programme.

Giroscope has sometimes struggled to recruit enough trainers with the right skills to support the group's strong emphasis on upskilling volunteers. The group takes on challenging refurbishment projects, converting old buildings which have fallen into serious disrepair into high-quality homes fit for the future. The construction skills needed are sometimes highly specialised, and it can be difficult to find people with the right construction skills as well as the ability to support others in developing those skills. The wages Giroscope can offer have sometimes also been a barrier to attracting the right staff. However, over decades of successfully finding, purchasing and refurbing neglected homes across West Hull, Giroscope has built up considerable institutional knowledge which often serve to fill skills gaps and keep projects moving.

Properties are finished to a high standard, are energy efficient and let at rents at Local Housing Allowance rates, and are therefore affordable to most households using benefits. Giroscope does not charge deposits, rent in advance or non-returnable fees. It provides homes with security of tenure and prioritises sustaining tenancies for the long-term to help bring stability to tenants' lives and to the community.

Giroscope has worked in close partnership with Hull City Council, housing associations and other community-led organisations locally. Backed up by funding from DCLG's Empty Homes Community Grants Programme, Giroscope and the council collaborated to refurbish 585 properties between 2012-15 as part of an award-winning partnership programme. The partnership significantly reduced the numbers of empty homes on two key streets - Wellsted Street and Gee Street. The partnership used a combination of highly specialised construction skills, innovative uses of Right to Buy receipts and Empty Dwelling Management Orders to take control of buildings for refurbishment. They also undertook careful work to find new uses for larger properties not suitable for single family housing, e.g. setting up one property to be suitable for use as a shared house for young pregnant women as an alternative to hostel accommodation.

Since DCLG community development funding ended in 2015, there is a lack of grant funding to make schemes work in places with low property values. However, Giroscope has continued to scale up its activities, supported by close working with Hull City Council – one of a very small number of Councils to use its surplus Right to Buy receipts to fund empty homes acquisition and refurbishment by partner organisations. To date Giroscope has successfully bid to HCC for almost £300k to deliver 14 empty homes refurbishments. Giroscope is also a

Giroscope, Kingston upon Hull

key member of the multi-agency group working with HCC to tackle anti-social behaviour and other non-physical regeneration challenges. Today, Giroscope purchases and renovates between 4 and 8 homes per year, and manages a stock of 128 secure, high-quality, affordable homes valued at approximately £7 million. When the pandemic hit, the group had recently begun construction on a self-build community housing project, with the ambition to use this as the proof of concept for developing other vacant plots of land in the city.

Over the years, Giroscope has expanded its activities far beyond the bricks and mortar of housing into broader community regeneration. Giroscope landscapes the gardens of the properties it renovates, helps local people with garden maintenance and is in the process of creating a community garden close to its main office. It repairs and maintains bikes and uses its volunteer training model to share these skills. It refurbishes laptops and provides IT training to tackle the digital divide, and is even renovating a local heritage building to provide affordable workspace.

Supported by European Structural Investment Fund, in 2018 Giroscope acquired the former St. Matthew's church situated on the corner of Boulevard and Anlaby Road, which had been empty for 7 years and was facing an uncertain future. The building is connected to the community in many ways and local residents had fond memories of weddings, christenings, and other ceremonies and events there. The former church is also home to significant war memorials. Giroscope reinstated the War Memorial window and have begun further renovations, working alongside Hull City Council's conservation team. The aim is to install work and office spaces into a mezzanine floor constructed into each aisle to let out to local businesses at affordable rates, so generating an income for the building's upkeep.

Investment package

In the past, Giroscope used funding from DCLG's Empty Homes Community Grants Programme to underpin its work, but since 2015 far less grant has been available – especially in areas of low housing demand like West Hull. Giroscope's model has evolved to become largely self-sustaining, using its existing assets to raise mortgage finance which is paid down gradually using rental income.

Not all properties can be purchased using traditional mortgage finance, and Giroscope has used low-interest loans from Social and Sustainable Capital to fund further acquisitions and so speed up the regeneration of West Hull since 2016. They have also benefited from a £250,000 grant from Power to Change to support the organisation's growth.

Giroscope has sometimes benefitted from Community Asset Transfers of properties from the council's ownership, transferred for £1 due to the costs of the works needed, though these have been relatively few in number and the process has often been resource intensive.

Livin Housing's estate regeneration at York Hill, Spennymoor, County Durham

Local authority:	Durham County Council (Labour control)
Ward:	Tudhoe – Mark Abley (Conservative) Billy McAloon (Independent)
Constituency:	Bishop Auckland - Dehenna Davison MP (Conservative)
Type of neighbourhood:	Residential area next to the former Tudhoe Colliery, 5 miles south-west of Durham city

Livin Housing's estate regeneration at York Hill, Spennymoor, County Durham

Background

Between 2014 and 2017, Livin Housing transformed York Hill estate in Spennymoor "from a place not to live, to the place to live." Prior to regeneration, York Hill's 144 homes were a mix of family sized housing and small flats. The flats became associated with high levels of anti-social behaviour, requiring intensive and costly housing management. This in turn affected demand and turnover as families moved off the estate, leaving behind them empty homes and increasing problems with crime and drugs. Green space on the estate was limited and underused. Low housing demand was fuelling problems with empty homes, the condition and appearance of the streetscape and social decline, which further entrenched low housing demand, allowing a spiral of decline to set in.

The properties at York Hill were single brick construction from the 1930s with flat roofs, making them damp and hard to heat. Internally, most homes met or exceeded Decent Homes Standard criteria, but the fabric and look of the buildings was poor and no longer fit for purpose, contributing to fuel poverty, health concerns and a general sense of decline in the neighbourhood. With 2-bedroom houses in the area sometimes selling for as little as £15,000, there was little "capital" value in the estate. With no immediate "regeneration" funds from the Government or ability to cross subsidise through new market sales, a feature of Northern housing markets, redevelopment was not an option. This left Livin Housing as the only agency with the commitment and motivation to invest resources to kick-start improvement at York Hill.

Livin Housing has a strong focus on place and on working with communities to improve conditions on existing housing estates. It is driven in this by its

identity as a local Housing Association in an area of low housing demand, and by the role Large Scale Voluntary Transfer (conditional on estate improvements) has played in building up quality in its stock of housing. These priorities are reflected in Livin's governance and organisation. The Head of Regeneration sits in Livin's Community Regeneration Team, with the Development Team and Asset Management Team brought into regeneration projects on a case-by-case basis as needed. Livin regularly undertakes estate improvement projects which involve no building interventions at all, instead focusing on building residents' incomes, capacity, skills and employability. This community needs-led approach, rather than physical assets or "bricks and mortar" style approach, contrasts with the approach taken by many Housing Associations, where it is common for development or asset management functions to lead regeneration activity.

Livin's approach is strongly informed by Sir John Egan's "Wheel of Sustainable Communities", a toolkit for evaluating the sustainability of communities. Livin constantly collects data on how the neighbourhoods it manages are performing on different aspects of the Egan Wheel, with results reported to Livin's Board. The sophistication of Livin's use of data enables early identification of neighbourhoods at risk of decline, allowing staff to develop businesses cases for investment and other action before problems become entrenched. These methods allowed Livin to identify the need for multi-faceted action to improve life at York Hill.

Project

Part of Livin's solution at York Hill was a building improvement programme to deliver 110 modern, warm homes across a range of tenures, together with investment in the external environment around the homes. Livin invested £5.4m from its reserves to transform both private and social homes by constructing pitched roofs, installing external wall insulation and adding modern facilities such as utility rooms, in-curtilage parking and patio doors. 64 "hard-to-let" flats were converted into 32 three-bedroom houses. Livin targeted an increase in owner occupation at York Hill to encourage employed families to settle and invest in the neighbourhood, and reduced private renting to improve stability and community cohesion.

Livin worked to achieve buy-in from every part of the community at York Hill, tailoring its approach to meet the very different needs of owner occupiers, social tenants, private tenants and their (often absentee) landlords. Finding affordable and deliverable solutions for private owners to improve their homes was a substantial challenge, as most had lost equity since their initial investment in their homes. Property values on the York Hill estate were simply too low to allow equity to be recycled into building improvements as they might be in other regeneration neighbourhoods. Many owner occupiers were also living in acute fuel poverty, with few or no independent options for improving their own homes or moving to more suitable accommodation.

Where possible, Livin negotiated the purchase of private landlords' properties and offered private tenants more secure and affordable accommodation elsewhere on the regenerated estate, though some owners declined to sell. For some of the more affluent private landlords, Livin "held their nerve" and, through persistence, sold the business case for the proposed investment. Working closely with legal representatives, Livin then accessed advice and ultimately found a way to enable private owners to benefit from the regeneration without Livin subsidising their properties. By registering a second charge on their property deeds, owner occupiers and some private landlords were able to access interest-free lending. Livin worked directly with owners' mortgage providers to get buy-in for this innovative approach, and paid the legal fees involved in setting up the new arrangement to expedite the plans.

Livin Housing's estate regeneration at York Hill, Spennymoor, County Durham

As a result of building improvement works and energy advice provided to residents from both Livin and Durham County Council, households' heating bills have halved, and SAP energy efficiency ratings have improved across the estate. Livin combined these building improvements with a range of other interventions to raise the hopes, aspirations and life chances of the York Hill community. This included youth work, employment support and advice, and concerted action to revitalise the local community centre.

Working closely with a range of local charities and public sector society organisations, as well as Durham County Council and Spennymoor Town Council, Livin sought out "anchor projects" which would give the community centre a renewed purpose in people's lives, for example convincing a local credit union and youth services to deliver their services there. After four years of sustained commitment, the community centre was awarded £136,000 of National Lottery Reaching Communities funding in December 2018 to employ a Community Development Officer for three years. The coronavirus crisis has delayed residents from using the centre as often as they would have, but the building and the networks it has helped to foster have been a vital resource for organising mutual aid throughout lockdowns.

Livin involved the community extensively in decisions about the regeneration of York Hill, and ran an intensive customer focussed programme to maximise the opportunities for different parts of the community to feed in. This included sending staff to the estate to speak to residents face-to-face, making staff available to answer questions and respond to ideas and concerns on Facebook (even after office hours) and making staff available for contact by phone. Through these activities, Livin staff improved their understanding of problems on the estate and the needs of individual households. These insights were fed back to Livin's Financial Wellbeing and Employment teams, who then contacted residents to offer wrap-around support.

York Hill estate features fairly limited green space, which was under-used prior to regeneration. Livin worked particularly closely with residents to co-design the future of these spaces, working through different options, their cost implications and what this would mean for service charges on the regenerated estate. Ultimately, the community voted for a "basic" approach to green space provision to ensure the estate remained as affordable as possible for new and existing residents. This "basic" option provided ample scope for green spaces to be improved over time, for example through planting trees and flowers. As a result of this co-production exercise and the transparency around costs it involved, some residents volunteered to help maintain and improve these green spaces. Livin then supported volunteers to access capital grants to fund these ambitions.

As a result of the regeneration programme's community projects, nine households have moved into employment and 24 residents have enhanced their employability skills. 90 additional households now engage regularly in community activities like dance, arts, crafts and cooking clubs in their local community centre, and 60 children and young people attend the new Foundation of Light youth club (prior to the pandemic). Anti-social behaviour at York Hill plummeted. The project was awarded the Northern Housing Award for Outstanding Regeneration Scheme of the Year 2018.

York Hill is now the highest demand community in Spennymoor and continues to top Livin's league table of popular communities. Home ownership has increased from 32% to 62%, with the first homes sold in only 12 days, compared to a local average of 124 days. House prices have doubled across the estate, and have even trebled in some cases. Properties now exceed the net yield target (an asset management indicator measuring the sustainability of investment

in a property), void rent loss is negligible and Net Present Value rose from £1,314 to £32,134 in three years. Home sales have released income to offset some capital expenditure and rental homes are now assets rather than liabilities, reinforcing the long-term business case for Livin's investment.

Investment package

Livin secured around £150,000 of investment from Homes England to convert single-person flats (for which demand was previously limited) into larger family homes but received no Affordable Homes Programme money or other public funding for any other part of the regeneration programme. Livin also supported a successful bid for £136,000 from the National Lottery's Reaching Communities fund to enhance the role of the local community centre.

The overwhelming majority of investment for the York Hill regeneration project came from Livin's own reserves, amounting to £5.4 million. Livin continues to make similar investments elsewhere across its housing portfolio, but the staff we interviewed emphasised that it is impossible for them to resource this kind of transformational change in all the places where it is needed while relying to this extent on its own charitable funds. The cost of transformational changes continues to rise, with the decarbonisation agenda on the one hand and a broader focus on new supply of housing rather than on improving existing homes and communities in government policy.

Cleadon Park

Local authority:	South Tyneside (Labour control)
Ward:	Cleadon Park – Alexander Donaldson (Labour) James Foreman (Labour) Susan Traynor (Labour)
Constituency:	South Shields - Emma Lewell-Buck MP (Labour)
Type of neighbourhood:	Residential area close to local shops

Cleadon Park

Background

Today, Cleadon Park is an impressive, high quality and distinctive mixed tenure housing development. Built as a brand-new estate in the inter-war period, Cleadon Park was very much 'the place to be'. Linked to wider economic trends in deindustrialisation, it fell into a period of decline from the 1970s and 1980s onwards. By the time of the regeneration project commencing in 2001, this was a troubled estate with housing stock that had fallen into disrepair, high crime and widespread deprivation.

Project

A £160m ambitious and award-winning regeneration project, starting in 2001 and completing in 2017, has transformed the area. This included an estimated £150m investment in new housing and £10m investment in the new library and health centre.

The project was instigated and commissioned by South Tyneside Council and delivered through the strong partnership between the Council, Enterprise 5 Housing Association and Bellway Homes. During the project, Enterprise 5 merged with another housing association to become Isos, which later merged again with two other housing associations to become Karbon Homes.

Aligned to the Karbon Homes Place Strategy as a framework, there are four key elements in the design and delivery of this project that made it successful.

1. A large-scale regeneration project, going beyond housing

Regeneration at Cleadon Park involved the demolition of 500 homes, 100 of which were privately occupied. In their place, over 700 houses, including over 200 Karbon homes, as well as a library and health centre

were built. Keen not to be 'just another housing regeneration project', the partners were guided by a holistic, place-making approach. From the outset, then, regeneration in Cleadon Park was about more than building homes; it was about forming and nurturing strong and resilient communities.

2. Enhancing sense of place through design code

A design brief was used to create a strong sense of place and identity. The estate shifted from primarily local authority ownership to mixed tenure, helping to develop sustainable and diverse communities. The estate was designed to have a seamless integrated model of rent and sale properties, with no difference in the aesthetic and build of social rent and private housing. Flow from the new homes to the library, health centre and shops opened up the estate, improving accessibility and connectivity with other areas.

3. In depth and comprehensive community engagement

Community engagement was intrinsic to both design and delivery. The community owned and guided the regeneration, rather than it being something that was done to them. The delivery team was embedded in the community, strong partnerships were formed with community groups, and residents were involved in multiple aspects of decision making. A major focus was bringing the next generation into the project through weekly work with the primary school. The skills of the local community were developed through adult education courses and local employment opportunities with Bellway Homes and Groundwork Trust.

Processes

4. A clear strategy driven forward by a long-term collaboration of partners

Taking 16 years to complete, the project lasted longer than many of the partners that started it and contributed to its delivery, demonstrating the importance of long-term strategic commitment that can outlast changing organisational structures. Consistently across the lifetime of the project, a Housing Association, the Council and other key local actors have remained actively involved. All partners and residents shared a strong vision, there was a masterplan, and a clear structure in place to deliver the project to a high standard. Cleadon Park benefited from having key individuals driving it forward at a strategic level and 'on the ground'.

Starting to shift the dial

Regenerating Cleadon Park has transformed the area. The Net Present Value of affordable homes in Cleadon Park is high and performs strongly in comparison to other affordable homes in South Tyneside and across the North East. This is reflected in the private sale market where house price inflation in Cleadon Park has outperformed other parts of the North East, and matched or even exceeded, the level nationally until very recently.

The project has improved the estate's tarnished image and raised living standards for those who live there. Cleadon Park is among the 10% least deprived neighbourhoods for its living environment. High quality housing brings security, stability and wellbeing, enhancing an individual's life chances.

Across the course of regeneration, resident satisfaction levels increased, crime rates fell (and continue to be lower than the borough average), and there were improvements in health, skills and employment. Education provision has been improved with Ridgeway Primary Academy, now rated 'Good' by Ofsted. In 2010, 7 in 10 residents reporting that the project had been a success.

Cleadon Park

	2006	2010
Residents satisfied with the area	56%	52%
Residents satisfied with their home	81%	85%
Residents reporting a high crime rate	43%	17%
Households with a long-term limiting illness	59%	45%
Residents with no qualifications	56%	40%
Residents employed in white-collar jobs	26%	40%
Residents wholly reliant on state benefits	46%	37%

Cleadon Park before and after (2006 and 2010)[1]

But as some of the more stubborn socio-economic indicators show, housing is only one part of the puzzle. Deprivation remains relatively high, with the northern part of the estate amongst the worst performing, in line with the 20-30% most deprived neighbourhoods in the country.

Educational attainment is still below average and there remains persistent worklessness and low incomes relative to other parts of the country.

To really shift the dial, the network that was so successful in delivering Cleadon Park needs to be expanded. Following an ecosystem model, it needs to bring in other partners, such as the local college, Job Centre Plus and NHS, to implement a wider joined up inclusive growth approach to early years, skills, employment, mental and physical health. Bringing together this broader agenda with a quality housing and place offer will create long-term sustainability, ensuring that Cleadon Park continues to be thriving and resilient.

Investment package

The investment package included cross subsidy paid by Bellway Homes for the acquisition of land to finance the site assembly (including acquisition of private properties, home loss costs, etc.) over several phases, and approximately £12.5m of Government affordable homes grants to build over 200 Housing Association homes. The success of the project has encouraged other housing led regeneration schemes to take place in the borough, most notably the £30m Trinity South development of over 200 homes.

Acknowledgement

Many thanks to those who kindly gave their time, shared their experience and knowledge of the Cleadon Park regeneration project, and contributed to this case study – Paul Fiddaman, Lewis Rimington, Graeme King, Michael Farr (ex Karbon Homes) and Andrea Wood (South Tyneside Council).

Case study produced for Karbon Homes by Metro Dynamics, January 2021.

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Chapter 6.
Institutions and investment

Levelling up the country needs… a healthy ecosystem of civic institutions… to empower communities and secure lasting improvements

Policies:

1. **Require Community Asset Transfer policies for all local authorities**
2. **Free local authorities to on-lend affordable finance to their community sectors**
3. **Recognise the added value of anchor institutions in planning and funding criteria**

Funding:

1. **Create a £2bn Community Wealth Fund as an independent endowment for the UK's left behind neighbourhoods**
2. **Free local government to invest by transferring £86bn of outstanding Public Works Loan Board debt to the national balance sheet**
3. **Guarantee core revenue funding for councils in left behind places over at least 10 years**
4. **Replace short term, competitive funding pots with more certain, needs-based funding streams**

Hidden Levers:

1. **Establish social valuation methods to facilitate disposals of public land and assets to deliver enhanced civic, community and social value within "best consideration" rules**
2. **Explicitly prioritise social value over the whole of government accounts in procurement and commissioning rules, and ensure a greater role for social enterprises and community groups in public service delivery**
3. **Increase the availability of government data at Lower Super Output Area level**

Chapter 6.

Institutions and investment

Institutions and investment: the building blocks of local transformation

There is no simple formula to transform left behind places. Every neighbourhood is different. The reasons why people will choose to live, work, stay, relax, invest or educate their children in one location and not another are infinitely variable. What works for one place may not work elsewhere. But while each neighbourhood must find its own path, it is clear from our evidence that all places require a basic infrastructure of institutions and a basic level of resourcing to be able to do this. In left behind places, this basic infrastructure of institutions and investment is too often either lacking or too weak for them to bounce back and reinvent themselves.

The loss of institutions and investment in left behind places is a complex and sometimes counter-intuitive story. It often began decades ago, with the loss of major employers and the trade unions and cooperative societies that grew up around them, or with the growth of overseas tourism damaging the foundations of local economies in coastal places. More recently, cuts to public services and social security after the 2008 financial crisis have had a disproportionate impact on deprived places. Because they had a greater share of public sector jobs, spending cuts that fell most heavily on local government were always going to hurt. The decision to fund the New Homes Bonus from top-sliced Revenue Support Grant was also bound to redistribute funding away from local authorities in many left-behind places and towards those in more prosperous places with higher housing demand. At the same time, however, austerity has provoked cultural change in many public bodies. In some places this has helped some community-led organisations by encouraging transfers of former public assets into c0mmunity ownership as a way for public bodies to reduce maintenance costs and other liabilities.

The ultimate impact of pandemic on this picture is still uncertain. However, the prospects for left behind places do not currently look good. Centre for Progressive Policy analysis projects a 12 per cent permanent loss in economic outputs in "Red Wall" local authorities and an 11 per cent loss for those places covered by the Towns Fund. This is compared to a permanent loss of just 5 per cent for the South East region.[i] Even before the pandemic, it was clear that left behind neighbourhoods required intervention to kickstart a renewal of civic institutions and positive investment. Government action to get these building blocks of local transformation in place is now more urgent than ever. And the potential rewards from doing so – economic, social and political – are greater than ever.

> "A community isn't a product, it's a system."
>
> **– Livin Housing**

Chapter 6.

Institutions and investment

The importance of a local ecosystem of institutions

This commission has seen many examples of innovative, community-led activity to improve spaces and buildings in left behind neighbourhoods and the opportunities they provide for people. Our case studies demonstrate how left behind communities across the country can lead the process of regeneration and renewal. As other chapters in this report have explored, community-led initiatives can play a vital role in directing investment to the right local priorities, in reaching members of the community who are frequently missed out by top-down efforts to improve places, in seeding local economic development and in increasing neighbourhoods' resilience to economic, environmental and other shocks. But they cannot – and should not try – to do everything. The most successful community-led activity operates within a thriving local ecosystem of different types of organisation working to transform a place.

Hastings Commons

In Hastings, a group of social organisations ranging from investors to an arts collective are collaborating to develop the Hastings Commons – a cluster of buildings and spaces, organisations and people regenerating a run-down part of the town centre for the benefit of the local community.

[ii] The institutional ecosystem developing the Hastings Commons

Social landlord partnerships

In Sunderland, community-led housing provider Back on the Map has worked closely with Sunderland Council and with Gentoo housing association over many years to reshape the rental market in Hendon to the benefit of local people. These three landlords play very different roles in Sunderland. The Council and Gentoo largely deliver Affordable Rent properties at 80 per cent of local market rents. These are targeted at the lowest-income households and often housing people from the broader Sunderland area – those who have been identified as being in "priority need" for social housing.

Back on the Map considered registering as a social housing provider, but ultimately felt that acting as a private landlord and charging rents at around Local Housing Allowance levels allowed them to better fulfil their distinct local role. This model allows them to generate the surplus they use to fund their community work and have a positive impact in Hendon far beyond the families they house – from dealing with litter, graffiti and fly-tipping to providing cultural activities and training courses. Operating in this way also gives Back on the Map the freedom to prioritise those with a local connection in their lettings policy, which is critical to their mission of building stability and resilience in a community which still experiences high levels of transience in its population.

Back on the Map actively builds relationships with and between residents, the police, housing associations like Gentoo, the council and others, sharing learnings and ideas to continuously improve life in Hendon. As a result of this, Sunderland Council is now expanding its own market housing acquisition programme, as well as building Affordable Rent homes directly in Hendon and other similar neighbourhoods, providing a major boost to community-led efforts to raise affordability, quality and safety standards for renters in Sunderland.

Sadly, this kind of cross-sectoral ecosystem of organisations working to improve local life does not exist everywhere. Indeed, its relative absence is one of the defining characteristics of left behind places.

The Community Needs Index demonstrates that a lack of places to meet, the absence of an engaged and active community, and poor connectivity to the wider economy – both physical and digital – make a significant difference to social and economic outcomes for deprived communities. Deprived places which lack these assets have higher rates of unemployment, ill health and child poverty compared to equally deprived places which have more of these assets.[iii] They also receive fewer charitable grants, have fewer registered charities and co-operative societies, and were less likely to see Mutual Aid groups set up in response to the Coronavirus pandemic, compared to deprived places with higher CNI scores.[iv]

Once a place has lost its critical mass of social institutions, it can struggle to take advantage even of the investment and opportunities which are made available to it. One of our case studies, Arches Local in Chatham, described the impact of a lack of organisations interested in improving the local area there: "We don't have the building blocks to make use of a flashy new community centre."

Some of this can explained by the fact that these left behind places are often peripheral communities on or just beyond the edges of existing cities and towns. They are therefore more likely than most places to have seen local education, health, housing

Chapter 6.

Institutions and investment

and other services reduced or closed down in response to budget pressures and changing financial incentives in recent years. As many of these services have centralised in town and city centres, and as housing associations and other anchor institutions have tended to merge, those living furthest from those centres have in many cases lost access to the benefits that a network of local institutions interested in their place can bring.

The other obvious cause is the scarcity of resources that afflicts left behind places. Whatever the initial cause, the effect can quickly become circular. Cuts in public spending on community activities naturally reduce the number and capacity of organisations working in an area. And the fewer the organisations operating there, the less funding they are able to attract. Similar dynamics can occur in the market:

declining local economies mean lower spending power locally, causing shops and services to close, which in turn reduces local employment and supply chain activity.

Charitable funding and social investment might be expected to buck this trend – but the evidence suggests otherwise. The APPG on Left Behind Areas recently reported how left behind areas have received lower levels of COVID-19 charitable grant funding than other areas – less than half the funding per head received by other deprived areas and one third of England as a whole, despite higher average levels of need.[v] Big Society Capital's estimates of social impact investment in the UK, which is worth over £5.1 billion a year, shows that around 40% of this investment has flown to London, only 10% to the whole of the North of England and none at all to the North West.[vi] While we do not know the figures for left behind wards specifically, the higher concentrations of left behind places in the North of England suggest they are unlikely to attract anything close to their fair or needed share of social impact investment.

There are presumably many other reasons why left behind places tend to lack an ecosystem of institutions working to improve local life; but the more critical question for those wishing to level up is, 'what we can do about it?'

1. Putting local government finances on a sustainable footing

Local authorities are critical for building and strengthening the kind of ecosystem of local institutions working to improve a neighbourhood. They are closer to the ground than national government, and well placed to act as conveners of other institutions with a stake in a place. They are permanent institutions that hold assets and retain staff, capacity and local knowledge. As holders of statutory duties, local authorities must exist, even when nothing else does. And, of course, they have the democratic legitimacy of being elected by local people. For the most left behind neighbourhoods, from which other institutions have often withdrawn, this makes local authorities extremely valuable players, both for undertaking improvements in place directly and for supporting the development of an effective local ecosystem of institutions working to improve place.

Local authorities fostering the community sector

In Wolverhampton, Acts of Random Caring Community Interest Company (ARCCIC) has benefited from dedicated action from Wolverhampton City Council and from local community and civil society groups to build the ecosystem here. The council provided important support to ARCCIC from its earliest days via Make:Shift, Wolverhampton's annual ideas festival. Through this scheme, ARCCIC benefited from a dedicated officer contact within the council, help to develop their ideas and advice on upcoming funding opportunities. Make:Shift is a perfect example of a local authority moving itself consciously into an enabling role, putting its resources and expertise at the disposal of local people, groups and organisations to develop their ideas following their own priorities. In addition to providing practical support, Make:Shift also has a strong focus on celebrating success, showcasing past and current successful community projects in Wolverhampton and beyond.

In Wigan, council staff are emphatic about the importance of change being led by the community and responsive to its needs. The Council has engaged widely through its Big Listening Project, involving public meetings with the Leader and CEO of the Council, community workshops and online surveys as well as face-to-face conversations between staff and residents across the borough. Since the outbreak of the pandemic, Wigan has successfully shifted most of its engagement work online, though staff worry about the impact of digital exclusion on their ability to reach all parts of their communities. While being extremely committed to community engagement, staff are also clear about the need for the Council to provide strategic leadership to turn the enthusiasm and commitment of individual households, businesses, charities and other organisations into a programme of transformational change for the borough.

The hard reality is that in most left behind places, councils are not resourced sufficiently to undertake improvements in place and to support local civic organisations as as they would wish. Whatever they say in public, others may not even in reality be very supportive of community organisations. To hard-pressed or unimaginative local officers, community organising can too easily feel like a threat. We are aware of several cases where councils are far less

Chapter 6.

Institutions and investment

helpful in private than they claim to be in public. Local authorities today often have to maintain a tight focus on revenue and balancing the books for another year. Most have little space for long-term planning and little appetite for investing in projects to bolster local economies and employment – just as the need to do so is likely to become urgent as the Coronavirus Job Retention Scheme winds down and the full economic consequences of the pandemic are revealed. This is a significant missed opportunity which threatens to prevent local authorities from playing their full part in meeting the government's – and communities' - objectives for levelling up.

Following recent changes to tighten up the Prudential Framework for local government borrowing and to constrain risky borrowing from the Public Works Loan Board, the government has put local capital investment on a more sustainable footing, helping to prepare local authorities for the role they will need to play in the country's recovery post-pandemic and adaptation to new and emerging challenges. Further action is now needed to enable and encourage local authorities to make real improvements to neighbourhoods, to drive economic growth and generate jobs on the scale needed – especially in left behind places long starved of investment.

Policy proposal i: free local government from the debt burden holding back its investment

Following a proposal from the Social Market Foundation, we recommend that Government takes urgent action to write off the £86bn in local government debt sitting on the Public Works Loan Board's loan book, to stimulate new investment in community assets, skills and employability programmes. Transferring the £86bn of local government debt onto the central government balance sheet would liberate local authorities to make the most of ultra-low interest rates to invest in urban renewal and other prosperity-enhancing projects. It would make no difference to overall government fiscal targets, which include local authority debt already, and would save the nation as a whole money, as central government has lower debt-servicing costs and a broader range of tax revenues at its disposal.

In normal times this move would be deemed impossible due to the fear of moral hazard – the risk that debt liberation would encourage councils to borrow and spend wildly, expecting central government to cover their risks. But after many decades of prudence and austerity, local government has done enough to demonstrate its fiscal rectitude. The extraordinary circumstances of the covid pandemic and near-zero interest rates are sufficiently unique to justify an explicitly one-off reallocation of historic debt.

Policy proposal ii: guarantee local authorities in left behind places ten years of core revenue funding certainty

Reallocating local government debt would be transformative for local authorities' ability to make capital investments. But urgent action is also needed to increase core revenue funding for left behind places, to support regeneration and to correct the disproportionate impacts of recent budget rounds.

Unequal spending

The average spend on housing services fell by 54 per cent between 2010/11 and 2018/19 in northern local authorities, compared to a cut of just 34 per cent in the rest of England.[viii]

In 2017-18 spending on planning in the South East and East of England was double the spending per person in the North of England and the West Midlands.[ix]

"The deterioration in the prospects of these left-behind areas is doubtless related to austerity and the cuts in public services and welfare benefits it ushered in. The research shows that these areas have suffered disproportionately. For example, despite their higher levels of need, average funding per head for local government services is lower than the average, not just for England but for deprived areas generally."[x]

The need for greater revenue support for local authorities' roles in levelling up is even more profound than the statistics suggest. Local government in left behind places has a bigger job to do to kick start local regeneration, compared to more prosperous places with better access to sources of investment such as private investment, the New Homes Bonus and developer contributions,

Increased revenue support will enable the rapid, small scale neighbourhood improvements that can build trust and engagement for tackling more structural problems. For people who may have felt alienated and ignored by politics for many years, our research suggests small interventions to improve place can be easier to engage with than structural questions around skills and local employment – at least initially. Many people appear to feel more entitled to express a view on their local environment than on bigger structural questions. It can also be easier to express a clear point of view and easier to believe that some positive change may be achieved relatively quickly when it comes to, for example, cleaner streets. This can provide the foundations for community engagement in more complex and longer-term changes. Government should therefore provide councils with sufficient revenue funding to accompany capital funding for levelling up, to ensure that the smaller current revenue-raising potential of left behind places does not prevent them from investing in the right solutions for their places.

Chapter 6.

Institutions and investment

In the medium term, as left behind places transform and renew themselves, they will gain access to increased revenue from, for example, business rates and Council Tax. But the chances of any combination of existing revenue sources allowing the kind of ambitious investment needed in the short term are vanishingly small in left behind places. Local councils in left behind places know that their higher reliance on central government grant makes them more vulnerable to changes in government policy and funding – and that uncertainty makes it even harder for them to invest confidently in longer term projects. But it is precisely that investment in local place quality and economic development that is needed to drive up revenue-raising opportunities in the medium term. Government should therefore guarantee adequate levels of revenue funding for local authorities in left behind places for at least a ten-year period, so that projects and strategies can be planned beyond short-run spending review periods and electoral cycles.

In Wigan, major projects like Wigan's Town Centre regeneration are accompanied by action to make rapid improvements to the local environment across the borough. Wigan's Borough in Bloom project has cleared litter and graffiti from the streets and installed new floral displays and community garden schemes.

2. Empowering local authorities to be effective community partners

Some of our case studies, like the Onion Collective in Watchet, Somerset, work in neighbourhoods with high levels of social capital, a number of local volunteering organisations and a strong network of local residents and businesses willing to support those organisations. However, they still require support to connect the different individuals and organisations pushing for local improvements and develop these into an effective ecosystem.

> "Real community-led regeneration is about creating the conditions for co-operation."
>
> **Onion Collective organiser**

Because of their inherently local focus, their permanent statutory status and their democratic legitimacy, local authorities are ideally placed to create the right conditions for cooperation and for a flourishing of civic activity – or to block it. Many of the best councils now see their role in terms of enabling the people and organisations within their boundaries to improve their own place and lives. By mobilising the resources and power that the local authority will always have by virtue of their statutory duties, and the scale necessary to deliver on these in relation to other organisations locally, councils can grease the wheels of civic action to improve places.

Policy proposal iii: require local authorities to have community asset transfer policies and champions

Some local authorities are providing practical support to strengthen their ecosystems of institutions working to improve local places and economies. Some, like Wigan and Calderdale, have embraced community asset transfers as a tool for enhancing local civic infrastructure and for putting civic organisations on a sustainable financial footing, both by transferring land and buildings in the council's ownership to civic organisations and by enabling and incentivising community asset transfers from other bodies, both public and private. Wigan Council has a policy of seconding staff to new community-led organisations to provide support and training in administrative or legal skills. This provides targeted and useful in-kind support to Wigan's voluntary and communities sector, for example supporting new organisations to employ their first staff members. It also allows council staff to experience working in organisations which benefit the community.

Many of our case study community groups say that bringing land and buildings into their ownership has been critical for achieving financial sustainability and growing the ambition of their activities. For Great Yarmouth Preservation Trust, taking ownership of properties means that there is more opportunity to create revenue which can be used to maintain the asset once restored and to build organisational sustainability. Likewise, organisers from the Good Things Collective CIC in Morecambe see building an asset base as key to their future sustainability and success, providing more income streams to reduce and ultimately eliminate their need for grant funding, while also addressing the need for community spaces locally.

Other case studies, like Acts of Random Caring's (ARCCIC) in Wolverhampton, stressed the importance of ownership of land and buildings to open up new fundraising opportunities. Community asset transfer of land and a community building from Wolverhampton City Council has been ARCCIC's route to owning an asset and so to building a long-term future. The community asset transfer process itself can be slow, difficult, and frustrating, and the buildings transferred into community ownership in this way are sometimes in need of significant repair, maintenance and renovation work. Indeed, this has often been the reason why a local authority has wanted to transfer its asset, particularly since local authority finances have become more strained in the austerity era.

> "If we had the space, we wouldn't need grant."
>
> **Good Things Collective in Morecambe**

Chapter 6.

Institutions and investment

Community asset transfer in Wolverhampton

Acts of Random Caring's community building was built in the 1980s and has been poorly maintained, suffering structural damage to its roof over the years. It cannot be fully utilised because of this and other outstanding major repairs jobs, with progress on these further delayed by the pandemic. Although organisers told us they would have preferred a new, purpose-built community centre built to high sustainability standards to limit ongoing costs, community asset transfer of the existing local authority building has provided an affordable route to controlling a building and space in the Whitmore Reans neighbourhood. Acts of Random Caring intends to use this to generate revenue to support the ongoing maintenance and improvement of the building and spaces, and to cross-subsidise activities and other facilities for the community's benefit.

The government has demonstrated its support for community asset transfer with £150m of new funding through the Community Ownership Fund. However, local authority support for community asset transfer remains patchy. Research from Locality in 2018 found that just 41 per cent of local authorities then had a strategy in place for community ownership, despite 95 per cent of them expecting to sell more assets in the coming years.[xi] As Locality argue, all local authorities should be required to establish a Community Asset Transfer policy and to nominate a cabinet member responsible for community assets.[xii]

Policy proposal iv: establish clear methodologies for appraising social value for public asset disposals

Further action is also needed to facilitate and normalise sales of public assets into socially beneficial uses and to support the development of strong ecosystems of institutions driving transformation in left behind places. Community groups report that support from local politicians can often exceeded support at officer level, suggesting that council staff may not have strong incentives to work with community groups. Officers may fear that the community group would get the credit for a successful partnership, while the council would get the blame for any failure – especially for projects delivered on council land. This dynamic makes selling public land and assets for the highest price the low risk option. Many of our case studies also noted the very different kinds of accountability and regulation operate in local authorities and in other public sector bodies. This contribute to risk aversion.

Community asset transfer can be hard

Big Local group Ambition Lawrence Weston has benefitted enormously from the support of Bristol City Council and Mayor Marvin Rees. For example, the council has provided land for community energy projects, as well as grant and loan funding to support projects. But access to local authority land has sometimes been complicated or slowed down by conflicting priorities. Central government rules, budget constraints and an understandable culture of risk aversion have encouraged the council to seek 'best consideration', interpreted as maximum market value, when selling or agreeing new uses for land, even though this risks undermining the council's ambition to support community groups and their projects.

Another Big Local Group, Whitleigh in Plymouth, established a need for a community centre from its conversations with local people. However, plans have been slow to progress because the area has few to no sites which could be developed for this purpose. A lot of local land is protected from development, for example because it has green belt status. The neighbourhood has never had much commercial or retail space, with the majority of permissioned land in use as housing. One public site did come up for sale, but Plymouth City Council wanted to maximise the capital receipt from this land. Whitleigh Big Local suggested using a protected green space for the community centre, but local politicians blocked this as contradicting the area's post-war masterplan. The group is now looking to take over a vacant butcher's shop.

Central government needs to take the lead in establishing clear social valuation methods and principles for public land disposals, and explicitly confirming that enhanced civic, community and social value must be considered as part of the 'best consideration' test.

Policy proposal v: allow local authorities to on-lend to their local community sectors

> "We'd prefer to sort ourselves out rather than going cap in hand to funders every few months."
>
> **Ambition Lawrence Weston**

While grant support is critical at certain stages of community regeneration projects, all of the community organisations we spoke to aspire to achieve independence from grant in the long run, with some citing securing more affordable, long-term finance as critical for their growth and sustainability. While there is a role for private and social finance, the obvious source of low cost, long term finance is government itself.

Councils can borrow from the Public Works Loan Board at lower rates than from private capital providers, and share the community sector's interests in the development of local economies. But while experts assure us that local authorities can already on-lend to community organisations, there seems to be some confusion on this point among local authorities themselves, with concerns about breaching the State Aid regime (which is now being replaced with Subsidy Control rules).[xiii]

Chapter 6.

Institutions and investment

To support long-term, non-profit owners with low-cost finance, the government should clarify that local authorities can on-lend capital (including from the Public Works Loan Board) to not-for-profit civic bodies without breaching current Subsidy Control rules. The Government should ensure that this principle is enshrined in the upcoming Subsidy Control Bill.

3. Rebuilding the ecosystem: funding for what works

Policy proposal vi: create a Community Wealth Fund worth £2bn as an independent endowment for the UK's left behind neighbourhoods.

Since 2011, Big Local has been investing over £1m in community-led initiatives in 150 of the most left behind neighbourhoods in England. Big Local funding has several features that make it different from most other regeneration programmes. Communities themselves decide what to spend the money on, and they are given support, time and the opportunity to learn, make mistakes, resolve disagreements and overcome challenges for themselves. As a result, Big Local projects display a wide diversity of approaches and objectives – from green spaces, young people, and local employment to loneliness amongst older people and play spaces. Most importantly, the funding is long term, providing certainty and continuity over 10-15 years.[xiv] The amount is capped at £1.1m per neighbourhood – which is intended to be enough to make a difference locally, but not so much as to distort local economies or decisions. Big Local believe much of the benefit of the investment comes not from what it can buy, but from the mobilisation of community activity and commitment that it generates.

> "You could say that £1m is the Goldilocks figure. Big enough to get community members interested in it. Not so big that it attracts swarms of consultants wanting to help areas spend it."[xv]
>
> **Big Local**

Over 400 organisations from the third, public and private sectors have since come together as the Community Wealth Fund Alliance[xvi] to call for the expansion of this model by means of a new fund[xvii] A £2bn fund, the Alliance proposes, could be paid for with £900m from the new wave of dormant assets identified by the government earlier this year; £500m from the National Fund (which the High Court has ruled can be spent on charitable purposes)[xviii] as proposed by Danny Kruger MP; plus contributions from corporate and philanthropic sources.

Pump priming funding

The significance of the Big Local programme in Ambition Lawrence Weston's success cannot be overstated. While the neighbourhood had accessed previous public investment programmes, such as the Neighbourhood Renewal Fund, Ambition Lawrence Weston found that such funding had not succeeded in achieving lasting, transformational change for the community. By contrast, the freedom the Big Local programme has provided for the community to pursue its own priorities, experiment and take risks has built capacity and confidence locally. Further support has come from Power to Change, whose funding programmes have allowed the group to prioritise capacity building. As a result, the community has been able to establish income streams and delivery models it can use to keep improving their place for many years to come. Ambition Community Energy CIC will continue to provide income from which to cross-subsidise community work in Lawrence Weston long after Big Local funding is spent.

This model of relatively small scale, but long term and flexible, funding has proved to be particularly suited to the most left behind places. It prioritises strengthening the social fabric itself rather than any particular outcome and it responds to the hyper-local needs of different communities. As such it can make a real difference to left behind neighbourhoods in a way that larger, more expensive programmes can struggle to do. The government should build on the last decade of success and learning by making a Community Wealth Fund a central plank of its levelling up efforts. This would begin to reproduce the functions of Power to Change and Big Local, two extremely valuable but time-limited Big Lottery Fund initiatives. The impact of the model of direct community-led decision-making promoted by these funds, and its potential to reduce statutory demand, is now emerging. For example, in Redditch investment in activities for young people reduced anti-social behaviour, leading to the decommissioning of police community support officers in that area – a direct saving for service budgets. The Kingsbrook and Cauldwell Big Local financed a community health champion post at a GP surgery, which acted as a bridge between primary care and community support networks, saving GP financial and capacity resources.[lxi]

This commission's research, and broader experiences of Local Trust and Power to Change funding and support across the country, demonstrate local people's willingness to take responsibility for improving left behind neighbourhoods and quality of life for their families and communities - and their high success rate when funded and supported. It is equally clear that hard-pressed communities do need support to grow in confidence and build their own social and civil infrastructure. Left behind communities need relatively small-scale investment to kick-start

Chapter 6.

Institutions and investment

the process of self-improvement – investment in places to meet, community engagement, health and wellbeing and connectivity to economic opportunities. Over time, these communities can then tackle tougher local challenges – such as low educational attainment, unemployment and poor health – working in collaboration with local authorities, the local NHS and other public bodies, on a more equal footing than could be achieved in the absence of that initial investment. Long-term, flexible, local investment can be seen as the base ingredient for community-led transformation of the country's left behind places.

Community Wealth Fund investment would be foundational: it would create the conditions for individuals and communities to flourish socially and economically by renewing social infrastructure at a neighbourhood level. It would ensure that no place lacks a high quality, sustainable meeting place suitable for bringing different elements of the community together to identify shared challenges and develop shared solutions, and for housing community groups and initiatives. It would support place making, ensuring neighbourhoods are more attractive places to live and work and contributing to their social and economic development. It would also fund and support partnership-building between neighbourhoods and other key local institutions, including local government, employers, hospitals, universities, colleges and schools. This would develop ecosystems of individuals and organisations working to improve left behind places – as our research indicates is necessary. Neighbourhoods need to be able both to start and to continue improving to meet new challenges and to benefit from new opportunities. Finally, it would incentivise and support place-based giving in support of left behind areas, attracting charitable and increasingly private-sector investment.

Policy proposal vii: replace short term, competitive funding pots, with more certain, needs-based funding streams for levelling up

"While macro level EU and UK funding streams have made significant and beneficial contributions to certain sectors and industries, our analysis highlights that they have too often been restrictive in their focus and have not recognised communities' priorities for their local areas."[xx]

Institute for Community Studies

Despite the extreme pressures of the pandemic, the government has increasingly made funding available to kick start levelling up, with a strong focus on community and place – for example the Levelling Up Fund (worth £4.8bn), Community Ownership Fund (worth £150m) and Community Renewal Fund (worth £220m). These are welcome. However, these and other funding pots look set to be allocated competitively at Whitehall's discretion, an approach which has tended to strongly disadvantage to country's left behind communities for many decades. On a very basic level, councils in left behind communities are poorly-placed to do well out of competitive bidding for levelling up funds distributed at Whitehall's discretion given cuts to government grant – not to mention additional demand pressures resulting from Covid.[xxi]

Evidence from the RIBA's Future Places programme suggests that the fragmented nature of the present funding landscape makes coordinated strategic planning for regeneration and growth difficult. Resourcing successive bidding rounds is demanding on officer time and capacity. Different priorities between these funds often means that bids are written to secure the funding, rather than to achieve the optimal overall objective of achieving the potential of a place. Competitive bids for project funding must be judged according to technical and/or political criteria. Both can be problematic. Allocating funds on technical criteria has, in practice, meant prioritising the projected benefit:cost ratio of individual projects above all other metrics. This sounds like a prudent use of public funds. However, when applied to the grossly unbalanced economic geography of the UK it frequently means that public investment in wealthy areas scores more highly than in poorer ones. As the Prime Minister put it recently, this creates the 'unspoken assumption by policy makers that investment should always follow success… a sort of Matthew effect… so you end up investing in areas where house prices are already sky high and where transport is already congested'.[xxiii]

The Matthew effect

"For to him who has will more be given, and he will have abundance; but from him who has not, even what he has will be taken away."

Matthew, 13:11

Community organisations and local authorities alike have all told us that the proliferation of short-term competitive funding pots causes significant problems and waste. With different time scales, bidding processes and objectives for each pot, organisations find themselves having to complete multiple bids for the same projects, all without any certainty of securing funding – let alone of the long-term commitments needed to instil confidence and support viable regeneration.

Chapter 6.

Institutions and investment

The problems of fragmented funding

"Much of the agency to regenerate local areas and to improve health (for example through better housing, education and early years support) rests with local government. But rather than receiving long-term investment to level up based on a broad assessment of local need and assets, local authorities are required to compete for various pots of central funding for infrastructure, with funding distributed based on centrally-decided criteria. The pitfalls of relying on a centralised competitive process have been recognised by the Industrial Strategy Council (ISC) and the Business, Energy and Industrial Strategy Committee in its recent report post-pandemic economic growth: Industrial policy in the UK. As well as noting that too many of the plan for growth's initiatives are unconnected and spread thinly, the ISC has raised concerns that a competitive approach could 'limit the scope for co-creation between national and local actors' and generate an uneven playing field by 'disadvantaging those areas with least capacity and capability to mount a successful bid'. The Local Government Association and Institute for Fiscal Studies have also warned that a complex array of funding pots could duplicate efforts to write bids and lead to a disjointed result."
The Health Foundation, 'The government's levelling up agenda'[xxiv]

Building social capital in the places where it is weakest clearly requires a new approach. A growing body of data indicates that giving communities control over a budget to improve their neighbourhoods reaps significant benefits. For example, The Marmot Review: Ten Years On showed a significant relationship between community control and overall community health outcomes, including lower levels of stress and anxiety and higher engagement in health-promoting behaviour.[xxv] If government knows which places are struggling and are most likely to benefit from community-led action to improve places, it makes sense to provide more certain, needs-based funding targeted at achieving defined outcomes in these places, as argued persuasively by the Centre for Progressive Policy, among others.[xxvi]

Ultimately this will mean reversing the trend towards discretionary funding pots, and a return to allocating large proportions of national resources to Mayors, councils and programmes based on their levels of need. The obvious place to start will be with the imminent publication of the government's plan for the UK Shared Prosperity Fund, which will replace the £11bn that the EU Structural Funds spent on the poorer nations and regions of the UK between 2014 and 2020.[xxvii]

Policy proposal viii: recognise the added value of anchor institutions in planning and funding regimes

The term 'anchor institutions' originally referred to large, public-sector organisations that are highly unlikely to close or relocate. They can therefore provide a permanent institutional and economic presence in a place that can act as a hub for wider community activity. Examples include hospitals or other health care facilities. The NHS is increasingly coming to see itself as a provider of anchor institutions, by virtue of its huge employment, asset ownership and place shaping role.[xxviii] But other institutions can also perform critical anchoring roles in communities, and not all of them are quite as permanent as a large hospital. Precisely because of their wider importance for the social fabric, the closure of anchor institutions can be particularly damaging for vulnerable local communities, above and beyond the loss of the primary service they provided.

> "Housing associations are great at taking the Social Value Act and putting it on steroids."
> **Livin Housing**

We heard evidence of how schools and other educational institutions can be vital anchor institutions at the very centre of local community life, particularly for left behind places in which they may be one of the only remaining significant pieces of social infrastructure.

Schools as anchor institutions for community renewal

Reach Academy Feltham opened in 2012 as an all-through school serving a vulnerable community in west London, and quickly achieved impressive educational outcomes: within five years 60 per cent of the founding cohort went on to Higher Education, compared to a local figure of 19 per cent. Reach believes that a great school is necessary but not sufficient to have a transformative impact in a community, and set up the Reach Children's Hub to deliver cradle to career provision in the local community. This offers ante-natal classes, support for parents, youth provision and a range of services. The Foundation is now hoping to play a role in a major housing development of an MoD base in Feltham and are currently exploring with government the possibility of securing the site as a special purchaser and creating a new model of education-led, community regeneration.

The Academy shows how, as part of the wider web of civic society, a good school helps encourage people to live in a town, animates its streets, and can be a fulcrum of pride and trust. Neighbourhoods needs these types of institution playing a wider role in fostering opportunities and creating neighbourly connections. Ideally, the very building itself should reflect back the town's history and aspirations and mirror the value of community and collective endeavour. [xxix]

Chapter 6.

Institutions and investment

By the same token, the closure of Lawrence Weston College of Further Education in 2010 was seen as a devastating blow, leaving the community with no natural hub for civic activity.[xxx]

Housing associations, with their large asset portfolios and range of localised services, can clearly act as focal points for wider community engagement and launch pads for regeneration projects in places neglected by private and public investment. Some associations operating in low-demand housing markets have developed sophisticated ways of improving homes and neighbourhoods in spite of limited access to up-front investment from government or developers. Many have supported wider community development, employment, environmental, health, education and training activities in their estates. Others have struggled to do so.

Long term commitment to regeneration

In the early 1990s, faced with chronic social, economic and physical problems, Castle Vale was designated a Housing Action Trust area, with a 12-year remit to regenerate the estate, including through large-scale reconstruction. This long-term commitment has resulted in positive outcomes for health, employment and crime rates – in some cases overtaking city averages, where it once lagged behind.

The regeneration process has continued under the oversight of Castle Vale Community Housing Association, now part of the Pioneer Group. The association sees its role as supporting the long-term success of the area, with a focus on community development, health and employment, as well as ongoing maintenance. This is reflected in the views of Castle Vale's residents – with 92 per cent stating they were satisfied with the area as a place to live in 2017/18.[xxxi]

Chapeltown Cohousing, Leeds

Chapeltown Cohousing (ChaCo) is creating sustainable and affordable homes for 33 households drawn mostly from the existing local community. ChaCo has benefited hugely from working closely with Unity Housing Association, who have the necessary expertise in specifying, tendering and managing building contracts. Together, Unity Housing and ChaCo have set about transforming brownfield land on a main road, the location of a former depot and Department for Work and Pensions office. Having previously been judged to be unviable for development due to remediation costs relating to heavy metals and piling foundations, the site has now benefitted from government investment from the Housing Infrastructure Fund, secured by Leeds City Council. The land has been split between ChaCo's scheme and a sheltered housing scheme built by Unity, with both schemes benefitting from joint procurement arrangements and coordinated delivery.

The importance of anchor institutions should be considered in designing and delivering regeneration programmes, and the levelling up agenda more broadly. Primarily, this means making funding regimes sufficiently flexible to recognise the positive community impact of anchor institutions, which may be outside the narrow metrics of traditional bidding processes. But it must also mean public authorities giving weight to the local institutional ecosystem impacts before closing or reprofiling services in left behind communities. The new use class F (local community and learning), and special status it grants the last basic essentials shop in an area, should help to encourage this recognition.

Policy proposal ix: introduce new procurement and commissioning rules to explicitly prioritise social value over the whole of government accounts and to ensure a greater role for social enterprises and community groups in public service delivery.

A groundswell of interest in properly accounting for social value in policy and funding decisions has been building for many years. Section 3 recommended that social value be incorporated into the definition of 'best consideration' for the purposes of public asset disposal. The conjunction of new spending patterns in response to the pandemic, the huge ambition of levelling up and the policy freedom created by leaving the EU make this a uniquely opportune moment to go further and change the entire culture and process of public spending.

Social value

The Public Service (Social Value) Act 2011, sponsored by the Conservative MP Chris White, required commissioners to consider the wider social value of bids when awarding contracts for services. This was an important step towards a better commissioning culture.

Nevertheless, according to Social Enterprise UK only eight per cent of the £300 billion public sector procurement budget actively champions socially and environmentally responsible business practice. This represents an enormous missed opportunity. As the government plans to 'build, build, build', we need to ensure that the huge budgets being committed by the public generate genuine public value. [xxxii]
Danny Kruger MP

To this end we agree with the recent reports by Danny Kruger MP and the Building Better, Building Beautiful Commission: government should legislate that the whole purpose of public spending is to deliver value for society as a whole, not just narrowly defined value for money for individual budgets and isolated spending decisions. This would impose an obligation on public bodies to consider the consequences for the whole of government accounts in all procurement and investment decisions. We do not underestimate the scale of the technical and cultural changes that this would entail, but if we are ever to escape from the bureaucratic straitjacket of the Whitehall obsession with 'benefit:cost ratio' scores, levelling up in the wake of the pandemic is surely the moment to start.

Policy proposal x: increase the availability of government data at Lower Super Output Area level to support more place-sensitive policy.

A common theme in many of our case studies is that they deal with pockets of deprivation. In some cases (Onion Collective, Watchet; Ambition Lawrence Weston, North Bristol; Arches Local, Chatham),

these pockets are surrounded by or adjacent to relatively prosperous places. However, local people are unable to access the benefits of that prosperity because of poor transport links or skills deficits which leave better paid employment out of reach.

In other cases, such as Livin's regeneration of York Hill, Durham, pockets of severe deprivation are surrounded by places which look average or simply less deprived than those pockets, making it more difficult to develop the business case needed for investment. For example, property prices in some of Livin's patch are as low as £15,000 for a 2-bedroom house, an extreme situation which makes private investment in place improvements extraordinarily unlikely. However, the available data obscures this extreme situation because property prices are higher outside the most depressed patches, making it more difficult for Livin to persuade Government of the need for additional public investment to transform the fortunes of troubled communities.

The experience of Power to Change is also instructive here. They found from their qualitative research and experience that many rural areas were in need of additional support to develop community enterprises, even though these rural places do not appear to be deprived according to the Index of Multiple Deprivation. Power to Change has a target of directing at least 60 per cent of its funding to the most deprived areas. Directing funding to rural areas which clearly needed it was unhelpful for achieving this target. Power to Change did it anyway because there was a clear need; they made the call that they could make investments to allow the 60 per cent target to be achieved elsewhere. It is extremely fortunate for these communities that Power to Change has the independence of funding and of mind to be able to make decisions that cannot be evidenced or readily evaluated through data. But this is not a scalable approach to supporting regenerative development in rural areas, and not an approach which could be used easily in the public sector. To level up the country, we need to find ways of replicating this kind of hyper-local place-sensitive investment at scale, of recognising that even the best existing datasets might not always be appropriate for targeting different kinds of deprivation, and of ensuring that funding regimes can make more flexible use of the indicator system.[xxxii]

If more government data was available at the more granular Lower Super Output Area level, rather than at ward or local authority level, this would help to distinguish between different types of neighbourhoods requiring different investment packages, allowing resources to be targeted more efficiently and outcomes to be monitored more effectively. This would support new agencies concerned with regeneration and place policy, including Active Travel England and the Office for Place, to target interventions and funding at those neighbourhoods most in need of support, and to tailor interventions to the specific needs of different neighbourhoods.

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The Wigan Deal

Local authority: Wigan Metropolitan Borough Council (Labour control)

Constituency: Wigan – Lisa Nandy MP (Labour)

Type of neighbourhoods: The largest borough in Greater Manchester by geography, Wigan Metropolitan Borough Council is made up of a number of towns and villages, the largest of which is Wigan itself

The Wigan Deal

Background

Faced with the largest budget cut in its history in the wake of the Great Financial Crisis, Wigan Metropolitan Borough Council developed the "Wigan Deal", a new social contract between the council, residents, businesses and civil society organisations. The Deal aims to cultivate and mobilise the capacity of communities and local partnerships to improve life in Wigan, building local resilience, reducing demand for council services and stimulating outside investment in the borough. Through this approach, Wigan has been able to create budget efficiencies at the same time as freezing council tax, improving key services and increasing resident satisfaction. Wigan won Council of the Year at the Local Government Chronicle's Awards 2019 in recognition of this work.

The Wigan Deal encompasses a number of separate strategies, including Deals for communities, adult social care, children and young people, health and wellbeing and businesses. The success of Wigan's approach in transforming social care provision and outcomes has received particular attention, for example in a 2019 report from the King's Fund.[1] However, the Council's work to transform the built and natural environment in Wigan in ways which enhance life opportunities for those who live and work in the borough has so far received less recognition.

The council pursues this aim through a wide range of projects – including successful work to create a nature reserve from former mining subsistence at Wigan Flashes, plans to convert mills and other derelict buildings from Wigan's industrial past into new uses including high-quality housing, and extensive use of Neighbourhood Plans across the borough to enhance local communities' control over

development outcomes. Our interview with staff focused on two ways the Council is transforming the local environment: through action to regenerate the centre of Wigan, the borough's biggest town; and through its Deal for Communities, a strategy for using the Council's resources, skills and property to enable a flourishing voluntary, community and social enterprise sector across the borough.

Council staff are emphatic about the importance of change being led by the community and responsive to its needs. The Council has engaged widely through its Big Listening Project, involving public meetings with the Leader and CEO of the Council, community workshops and online surveys as well as face-to-face conversations between staff and residents across the borough. Since the outbreak of the pandemic, the Council has successfully shifted most of its engagement work online, though staff worry about the impact of digital exclusion on their ability to reach all parts of all communities. While being committed to engagement, staff are also clear about the need for the Council to provide strategic leadership to turn the enthusiasm and commitment of individual households, businesses, charities and other organisations into a programme of transformational change for the borough.

Wigan Town Centre Regeneration

The future of town centres was one of the major priorities identified through the Council's Big Listening Project. Town centres are important to residents and they want to see them thrive, with a mix of arts, leisure, housing, culture, food, independent shops, craft and makers introduced.

Wigan benefits from good transport links to Manchester by rail and road, but transport connections within town centres and between the main towns of Wigan and Leigh are patchier. In some parts of the borough, new development is hampered by significant viability challenges, with many sites requiring costly remediation works as a result of contamination - a legacy from Wigan's industrial past in cotton production and coal mining. In recent years, private developers have often preferred to develop new housing in a "ribbon development" pattern, beyond town centres, entrenching car dependency and the tendency for residents to look outside the borough for leisure and retail.

Like town centres up and down the country, Wigan town centre is facing real challenges as a result of changing shopping habits: with the move towards online and out-of-town shopping, there is now too much retail space in the town centre. That space needs to be repurposed to give people new reasons to visit. The Coronavirus crisis has accelerated and intensified these trends, making the need for intervention is greater than ever.

Wigan Council published the Wigan Town Centre Strategic Framework in January 2019, enabling the Council to take an evidenced and integrated approach to developing Wigan town centre, an approach that will put it on a more sustainable footing for decades to come. It sets out a series of proposals to curate a residential, office, leisure and retail market, supplemented by strong place-making and active town centre management. It promotes a 'one town centre' approach to better connect key opportunities, existing infrastructure and surrounding communities, delivering joined up growth.

In 2018, the Council purchased the struggling Galleries shopping centre, a 3.2 hectare site in the town centre. After a year-long process to identify a development partner, Wigan Council is now working with specialist private sector partners Cityheart and BCEGI to undertake a £130m redevelopment of the space using a mix of public and private funding. The redevelopment will include 464 apartments and townhouses for rent and purchase (including affordable homes), a cinema, indoor and outdoor events spaces, a bowling alley, places to eat and drink and a new market hall.

[1] C. Naylor and D. Wellings, A citizen-led approach to health and care: Lessons from the Wigan Deal, The King's Fund (2019)

The Wigan Deal

Environmental sustainability is at the heart of the plans. In keeping with Wigan's environmental strategy, construction techniques will be used to reduce environmental impact, including the installation of photovoltaics to generate solar power, energy efficient water fittings and plenty of electric car charging points and cycling storage in the car park to encourage smarter travel.

Although the new complex will have a modern look and feel, the development will sensitively preserve the heritage and character of the area.

The proposals have been driven by what local residents, retailers and visitors to the area said they'd like to see in the town centre and will continue to be shaped by further consultation as the plans progress.

Under the banner "Galleries25" the Council and their partners aim to complete the project by 2025. As the masterplan is developed the Galleries25 team will continue to consult with residents and will engage directly with those affected by the scheme to talk through the plans in more detail.

A development project of this scale is complex and challenging and requires a development partner with the experience, expertise and resources necessary to deliver it, but community wealth building principles lie at the heart of the plans. The redevelopment is expected to create around 475 construction jobs and a further 190 when the scheme opens. The partnership has pledged to support local people through recruiting in the borough, taking on 25 apprentices each year, providing work experience and education visits and supporting the local supply chain through spending around £52m. Around 864 volunteer hours will also be donated to the voluntary sector in Wigan.

The redevelopment of the Galleries shopping centre is just one component of Wigan's approach – there are also comprehensive plans for the redevelopment of the King Street area, the Civic Centre, and the station gateway. But as a 3.2ha site in the heart of the town, the redevelopment is a critical, catalytic component of Wigan's strategy.

Wigan Deal for Communities

The Wigan Deal for Communities aims to grow community capacity and strengthen the voluntary, community and social enterprise sector. The Council has invested £10m through its Community Investment Fund, empowering more than 450 community groups and projects which can demonstrate their long-term potential for sustainability through income generation or future contract readiness. Investments range from support for small, grassroots initiatives – a community café, a toddler group, Wigan Digital Learning CIC - to larger projects such as supporting a new branch of the local Credit Union to open. The Council's cost-benefit analysis calculates every £1 spent through the fund has generated £2 of fiscal value and £5.62 of public value (through savings to the Council, the NHS, DWP and other agencies).[2] Funding is backed up by the offer of ongoing business planning support from the Council and access to a wider network of support, training and advice through the Wigan Borough Community Partnership.

The Community Investment Fund has also supported the Council's programme of Community Asset Transfer, enabling communities to take over management and / or ownership of buildings and land in local authority ownership. Recognising the potential of assets to strengthen community capacity, the Council updated its Community Asset Transfer policy in 2016 and now publishes surplus assets on its website alongside a transparent Expression of Interest process. The Council has also partnered with local charity Douglas Valley Community to produce a "Quick Guide to Community Asset Transfer for community and organisations".

In addition, the Council has taken steps to leverage its workforce's skills to support the community sector, seconding staff to community organisations with skills or knowledge gaps and introducing a policy of two days volunteering leave each year for all staff to spend with local organisations. This approach has fostered connections between communities and the Council, supporting the development of longer-term relationships. Culture change has been fundamental to the Wigan Deal's success, with senior staff and leaders giving staff the confidence to experiment, innovate and take risks, accepting that not every community project will succeed.

Investment package

Significant viability challenges, especially on contaminated land from Wigan's industrial past, leave many places in Wigan reliant on grant funding for development of many sites. The Council has successfully bid for government grant to support its regeneration efforts, for example receiving a provisional offer of £16.6m from the Future High Streets Fund in December 2020, and has recently secured Brownfield funding for a key housing site in Leigh.

But whilst the Council has benefitted from public funding in recent years, staff emphasise that devolution has not delivered the flexibility in how funding can be used that is needed to drive improvement. Bidding for central pots of grant is time consuming, costly and often more difficult than it could be, with funding split between siloed pots. Council staff have welcomed the government's update to Green Book and Business Case guidance at the 2020 Spending Review and are hopeful this could level the playing field for access to government funding between the country's wealthier and poorer communities.

[2] Wigan Council, The Deal, Results of Funding Booklet, Round 5, Deal for Community Investment Fund (2018), p. 15

Acts of Random Caring CIC, Wolverhampton

Local authority:	City of Wolverhampton Council (Labour control)
Wards:	St Peter's – Qaiser Azeem (Labour) Obaida Ahmed (Labour) Lynne Moran (Labour) Park – Claire Darke (Labour) Dr Michael Hardacre (Labour) Craig Collingswood (Labour)
Constituency:	Wolverhampton South West – Stuart Anderson MP (Conservative)
Type of neighbourhood:	Whitmore Reans, a mainly residential area to the north of Wolverhampton city centre

Acts of Random Caring CIC, Wolverhampton

Background

Once a powerhouse of the industrial revolution, today Wolverhampton benefits from thriving engineering, aerospace, high-end manufacturing and creative industries. The legacy of the Victorian industrial past is visible across Wolverhampton, in its distinctive former factories and other traditional buildings, its network of canals and historic parks - and, less positively, in the form of contaminated former industrial land. More recently, the Great Financial Crisis and austerity hit the city hard; levels of unemployment spiked in 2009, and have long sat above the West Midlands average.[1] At the outbreak of the pandemic, City of Wolverhampton Council had lost £220 million from its budget and a third of its workforce over the preceding decade,[2] and had scaled back or closed a number of children's, youth and other service settings.

Wolverhampton is a city that feels to some locals more like a town, with strong community bonds at the neighbourhood level creating a village-like mentality. Just a 30-minute walk (or 15-minute bus ride) from the University of Wolverhampton, Whitmore Reans is a mostly residential neighbourhood spreading north from the city centre. The neighbourhood is one of Wolverhampton's most ethnically, religiously and linguistically diverse, with 71 languages spoken across its streets. It has a varied mix of housing across owner-occupied, private-rented and social housing, including some purpose-built student housing. In common with many other case study neighbourhoods, Whitmore Reans has problems with poorly-maintained, poorly-managed Victorian housing in its private-rented sector, particularly in the streets closest to Wolverhampton city centre.

The streets further from the city centre are more modern. A range of private housebuilders develop

new housing and flats here, despite problems with contaminated land. However, recent development has not brought the investment in the local environment locals want to see, and there are few natural meeting points for the community. It is here that Acts of Random Caring Community Interest Company formed to maintain, protect and improve a local green space on the site of the former Courtaulds rayon factory.

Project

Acts of Random Caring first began in December 2013 as Gatis Gardeners, a group of volunteers helping to maintain and improve Gatis Street Adventure Playground, a local authority-owned green space including a community centre, play area and woodland. Public spending cuts had led to staff reductions and worsening maintenance problems at Gatis, and volunteers wanted to enhance the space for regular users, many of whom were local children and young people living in poverty and with difficult family circumstances. Gatis Gardeners set about raising money, maintaining play equipment, creating new areas for growing food and organising new activities.

In September 2014, Gatis Street Adventure Playground was threatened with closure and redevelopment, potentially to provide new housing or a supermarket, although Whitmore Reans was already well-served for food and other retail by the nearby Avion Centre. Three adventure playgrounds had recently closed across Wolverhampton, leaving Gatis as one of only three remaining. Gatis also had a long history as a community space; people from different generations and ethnicities had been playing, socialising and making music together at Gatis ever since the demolition of the former Courtaulds factory there in 1973.

Gatis Gardeners acted quickly to protect a green space that mattered to the community. By May 2015, the group had formally constituted as a volunteer group, appointed trustees, developed a business plan, put insurance in place and taken over the land and building that made up Gatis on a six-month licence to occupy. They intended to complete an asset transfer process in those first six months, but as of May 2021 that process remains in train (see Community Asset Transfer section below).

Having raised additional funds, the group became Acts of Random Caring Community Interest Company in October 2015. Directors were drawn from the original Gatis Gardeners trustees, and were now supported by a small paid management team. Crucially, this team was made up of self-employed individuals, enabling the group to be agile and to change how it works quickly in response to changing needs in Whitmore Reans. ARCCIC have since set about transforming what is now Gatis Community Space, expanding it to include land which formerly attracted drug dealing and litter, and which now forms part of a peaceful, pleasant green space, separated from nearby roads by buildings and hedges.

As the site was already a community space, ARCCIC have been able to build from this to create a popular community hub that serves a variety of local people through its facilities and activities. Early on, organisers made small, practical improvements, such as installing benches and bins next to the wall facing onto the green space, where locals often met. ARCCIC now offers a community café, bookable rooms in the Gatis community building, slides, swings and other play equipment, a community garden and a large fire pit with semi-circular seating, as well as a wooded area with mature trees for nature activities.

The Gatis community building has hosted a huge range of activities and events, including: clothes swaps and upcycling sessions; a bike repair café; a surplus food market and kitchen; and provides affordable space for small business start-ups to offer childcare sessions as well as classes in cooking, art, nature, bushcraft, exercise and music to the community. Gatis Community Space brings together people who wouldn't otherwise get to know each other to share skills, interests, food, services and other support. Throughout the pandemic, ARCCIC have provided online training, classes and social activities.

[1] ONS Annual Population Survey

[2] Express & Star, "1,300 jobs axed at Wolverhampton Council in five years", 28 December 2018

Acts of Random Caring CIC, Wolverhampton

Since its community building and café have been shut for usual business during national and local lockdowns, ARCCIC has used these spaces to organise food parcels and other forms of mutual aid for local people, including those shielding and self-isolating because of the pandemic. ARCCIC has also acted as a base for broader mutual aid activity, letting out rooms in the community building to a local church group organising its own mutual aid activities. ARCCIC had already been running a drop-in surplus food market before the pandemic, so were able to access funding to scale up and adapt their existing activities into a food box delivery system, rather than starting from scratch. The group also had good existing knowledge of local people who might need support from many years of engaging and working with the community across a huge range of projects.

Over the years, ARCCIC have used a range of tools and methods to engage and involve the Whitmore Reans community in deciding how Gatis should be used and improved. Organisers told us that their most important source of information is from conversations with neighbours: "We walk around asking people what they want." However, the group also uses in-person and online community meetings and panels, 'Friendly Friday' drop-in sessions, and chalkboards at community events. During the pandemic, ARCCIC have found creative ways to use technology to make community meetings more fun and to create different levels and types of engagement, broadening involvement. Some people won't speak much in a community meeting, but they will write on an online 'chalkboard' or give feedback using an emoji stamp.

Community Asset Transfer

Progress with formally transferring control of the land and building at Gatis from Wolverhampton City Council to ARCCIC has been slow, and has been frustrated by negotiations around responsibility for different repairs jobs and by personnel changes in the council's Corporate Landlord Department. The Community Asset Transfer was originally approved by the council cabinet in 2018, but was not formally approved until April 2020, when ARCCIC received a 35-year rent-free lease to develop Gatis for the community's use.

While the group already benefits from de facto ownership of the land and building, they have pursued asset transfer to open up new fundraising opportunities, and to gain full control of the site to continue transforming it to respond to the community's needs. As of June 2021, the asset transfer process had yet to conclude.

The community building itself was built in the 1980s and has been poorly maintained, suffering structural damage to its roof over the years. It cannot be fully utilised because of this and other outstanding major repairs jobs, with progress having been further delayed by the pandemic.

Although organisers told us they would have preferred a new, purpose-built community centre built to high sustainability standards to limit ongoing costs, Community Asset Transfer of the existing local authority building has provided an affordable route to controlling a building and space in the neighbourhood. ARCCIC intends to use this to generate revenue to support the ongoing maintenance and improvement of the building and spaces at Gatis, and to cross-subsidise activities and other facilities for the community's benefit.

Partnership working

As the challenging asset transfer process above shows, ARCCIC's relationship with Wolverhampton City Council officers has not always been easy, but over time they have developed mutual understanding and trust. The council provided important support to the group from its earliest days via Make:Shift, Wolverhampton's annual ideas festival. Through this scheme, ARCCIC benefited from a dedicated officer contact within the council, help to develop their ideas and advice on upcoming funding opportunities. Over the years, the council has provided in-kind support such as professional legal and other advice. The Director of Public Health also visited Gatis Community Space and saw its value and potential, supporting ARCCIC's funding bids and its thinking on how to drive further improvement of the space. The group has also received political support from the council, including some small grants.

Beyond the council, ARCCIC have developed strong working relationships with the University of Wolverhampton and Wolverhampton Voluntary Sector Council. ARCCIC now works with a huge range of charities and civil society organisations in Whitmore Reans and across Wolverhampton, providing space for other groups' activities at Gatis, setting up joint events and meeting to share learnings and skills or to consider shared challenges.

As part of Wolverhampton for Everyone, a collective of people and organisations who want to create a people-powered city in Wolverhampton, ARCCIC is actively investing in a network to support and enable community-led change. Wolverhampton for Everyone connects community groups, social enterprises and charities with public health, education, housing and other services. This network provides opportunities to share learning and experiences which can then inform member groups' activities, including feeding uniquely valuable insights from neighbourhood-level community activity back into public and third-sector service provision.

Investment package

Supported by the fundraising skills of their core team, Acts of Random Caring CIC have succeeded in attracting a wide range of investment, particularly from private grant-making bodies. Organisers told us their fundraising efforts have been supported by the depth and strength of their community engagement work, by the very wide range of activities they offer

Acts of Random Caring CIC, Wolverhampton

to respond to the needs of the diverse community in Whitmore Reans, and by their potential for growth. The group won the Queen's Award for Voluntary Service in 2019, providing a further spur forward.

In 2015, ARCCIC received £45,000 from Esmée Fairbairn Foundation to develop staff roles and cover overheads, helping them to set up as a CIC and expand. ARCCIC went on to secure £119,000 from Power to Change in 2017, enabling them to develop the business and pay for some refurbishments to the community building at Gatis. Further funding has come from Esmée Fairbairn, as well as from the National Lottery's Awards for All programme, the European Social Fund, Tesco Groundworks, Arts Council England's Creative Black Country project, Grow Wild, and from crowdfunding online. They have received small grants from Wolverhampton City Council, in addition to the extensive in-kind support discussed above.

ARCCIC have often found it difficult to access public grants because they require scale that is difficult for their grassroots organisation to achieve. However, following the outbreak of the pandemic, ARCCIC received funding from Defra's COVID-19 Emergency Surplus Food Grant. The group also received funding from the National Lottery Community Fund to support its pandemic response work, and was recently awarded a further £300,000 from the Reaching Communities programme to develop their work over the next three years.

Overall, organisers have found that the funding landscape has become more challenging over the last 20 years, with seemingly more competition for grant funding and shrinking support from local authority community funds. This has driven ARCCIC to develop ambitious plans to grow, using its assets to generate revenue which it can reinvest for the community's benefit and so lessening the dependence of its activities on grant funding over time.

Chapeltown Cohousing, Leeds

Local authority:	**Leeds City Council (Labour control)**
Ward:	**Chapel Allerton - Eileen Taylor (Labour) Jane Dowson (Labour) Mohammed Rafique (Labour)**
Constituency:	**Leeds North East - Fabian Hamilton MP (Labour)**
Type of neighbourhood:	**Residential area to the north-east of Leeds city centre**

Chapeltown Cohousing, Leeds

Background

Chapeltown has no official boundaries, nor is it recognised by the Land Registry or the Royal Mail, but it is widely recognised by residents of Leeds. Chapeltown is a vibrant and ethnically mixed neighbourhood approximately one mile north-east of the city centre. Beautiful terraces and villas from the affluent days of the nineteenth century still contribute to Chapeltown's distinctive architectural identity, though many of these buildings have been poorly maintained over the years, as the neighbourhood has become less wealthy and has at points suffered high crime rates and neglect. Some older buildings have fallen into disuse or been divided into low-rent bedsits and flats. In May 2003, Leeds City Council designated parts of Chapeltown as a conservation area in recognition of its special architectural and historic interest and to protect its character. Market rents and prices in Chapeltown are relatively low compared to other parts of Leeds, disincentivising new development and compounding a poor market offer.

Project

Chapeltown Cohousing (ChaCo) is creating sustainable and affordable homes for 33 households drawn mostly from the existing local community. Some of the homes will be for shared ownership and others will be available to rent at no more than Local Housing Allowance rates, making them affordable to most households using benefits. The scheme also includes 4 self-build plots. ChaCo will be a diverse "intentional community" grown from the local area and designed to maximise social interaction and relationship-building between members.

Working in collaboration with housing association Unity Housing, ChaCo has set about transforming derelict land purchased from Leeds City Council into

a vibrant neighbourhood with low-energy homes, shared facilities and plenty of recreational space and gardens. The site is brownfield land on a main road, the location of a former depot and Department for Work and Pensions office. Having previously been judged to be unviable for development due to remediation costs relating to heavy metals and piling foundations, the site has now benefitted from Housing Infrastructure Fund (HIF) investment, secured by Leeds City Council. The land has been split between ChaCo's scheme and a sheltered housing scheme built by Unity, with both schemes benefitting from joint procurement arrangements and coordinated delivery.

The desire to live more sustainably, with lower and more affordable fuel bills, is a key motivation for many members' involvement in ChaCo. All of the homes will be low-energy, built to the AECB standard, typically giving a 70% reduction in carbon emissions compared with equivalent sized homes built to common standards. The group will install solar PV on the south-facing roofs of all ChaCo's homes, pushing sustainability ambitions further.

Many of the people we spoke to throughout our research suggested community housing in the United Kingdom has so far been culturally dominated by middle-class people and their concerns.

ChaCo represents something different – a community housing project in an area with high levels of deprivation and low land values, catering to a diverse local population and seeking to bring different groups together in shared spaces.

The ambition to reflect and serve the local community in Chapeltown, in all its diversity of ethnicity, age and income, is central to the group's plans and the scheme's design. At least two-thirds of residents will come from Chapeltown. Most homes will be available for sale as shared ownership, with the co-operative disincentivising full staircasing by restricting access to communal facilities to ChaCo members paying some rent. ChaCo's rents will be affordable to households using Local Housing Allowance, and the scheme includes one 5-bedroom HMO to provide an affordable option for single adults with low incomes. Rental income will cover ongoing costs, renovations and the repayment of loans. An additional service charge for shared facilities will be means-tested, with equal access to facilities for all members.

ChaCo is governed democratically, with task groups leading on different project activities. The group has generally been able to meet most of its skills needs from within its membership, supplemented by volunteer consultants and a professional team. ChaCo has also benefited hugely from working closely with Unity Housing Association, who have the necessary expertise in specifying, tendering and managing building contracts.

ChaCo has also been supported in its work by an active network of community-housing groups in the Leeds area. Many of these more established community housing projects have clearly played a crucial role in ChaCo's journey to deliver community housing for a range of income levels, de-risking a new model of housing provision and developing and sharing best practice. In particular, Low Impact Living Affordable Community (LILAC) in west Leeds has supported ChaCo by sharing learnings from its own work, for example on how to determine which decisions can appropriately be delegated to a small working group. Another vital resource for ChaCo has been Leeds Community Homes, which brings together expertise from many of the key players in community-led housing from Leeds and the wider region. The Foundation for Social Entrepreneurs (UnLtd) and the Social Investment Business have also supported the group's work.

ChaCo started with the intention to create a beautiful and desirable place, brightening up a neglected space to the benefit of the whole neighbourhood. The design and build contract was tendered at the end of 2017 and the successful contractor was intended to be on site by 2018, but the scheme was delayed as promised HIF money took longer than expected to arrange. Building

Chapeltown Cohousing, Leeds

works began in March 2019, although Coronavirus and other issues have caused significant delays. Prior to lockdown, it was anticipated that the scheme would be completed by March 2021, but the group is now aiming to complete at the end of February 2022.

In addition to construction delays, Coronavirus has meant ChaCo has had to switch almost entirely to digital communication. This has produced new challenges for the group in recruiting new members to live in their homes and in engaging existing members in inclusive discussions about ChaCo's decisions. Whether because of a lack of suitable equipment, the stresses and strains of lockdown, problems with internet access, digital skills, or general confidence with using Zoom, some members are far less vocal in online meetings than in face-to-face meetings. ChaCo has been responsive to changing needs in the pandemic, helping members with equipment and researching alternatives to Zoom meetings for more accessible discussions, such as using WhatsApp.

Investment package

The majority of the financing of ChaCo's £5 million scheme comes from two linked development loans totalling £3 million from Ecology Building Society (around £2 million) and Leeds City Council (around £1 million), at 4% and 3% respectively. Ecology and LCC have agreements in place with ChaCo regarding first charge and security. Remaining funding comes from: £920,000 from the Housing Infrastructure Fund (shared with Unity Housing's scheme); £450,000 from the Affordable Homes Programme (attached to some of the shared ownership homes); sales of shared ownership equity; sales of self-build plots; £200,000 from sales of existing homes owned by the cooperative; and other smaller contributions, and other small amounts of funding such as a bequest of £60,000 from a former ChaCo member who died. ChaCo have also arranged a £1.3 million long-term mortgage from Ecology Building Society once the development is complete. Some members will be living in shared ownership homes part-funded through the government's Help to Buy scheme.

However, low house prices in Chapeltown meant that this combination of finance would not cover the full development costs of the scheme - a vivid demonstration of the challenges of building homes in a low-demand area. So, ChaCo raised an additional £832,000 through a loanstock fund – a form of "social" investment via an unsecured, fixed-term, fixed-interest bond, offering interest rates of up to 3% for those willing to invest for at least 4 years.

Chapter 7.
Conclusion: neighbourhoods first

Geographic imbalance is not a new phenomenon in England's long history, but in recent decades several currents have converged to sharpen the problems of left behind places.

Deindustrialisation and globalisation have widened the disparities between technological change's winners and losers. The dominant transport, urban design and planning policies of the post-war era have transpired to have devastating effects on the health and character of places – particularly the towns and peripheral suburbs that are most likely now to feel left behind. An aging housing stock and a febrile property market have proved incapable of responding to the housing needs of either over-heated or under-valued places. And the haphazard evolution of devolution has not overcome the centralising tendencies of the British state.

Left behind places are at the confluence of these currents and eddies. The extraordinary challenges of the pandemic and climate change make the need to tackle these long-term trends all the more urgent. The risk is that places that are already more cut-off, more car-dependent, and more run-down are left even further behind by an unbalanced economic recovery and the massive investment needed for net zero carbon transition. We cannot allow this to happen. Levelling up must involve confronting engrained patterns of neglect, not replicating them with the same policies and funding models that got us here.

Many of the problems of left behind places have deep roots. Transformation will require complex systems evolving over time, not quick fixes. It has taken thirty years and £1.7 trillion to level up the fortunes of East Germany; England now faces a comparable challenge. There has surely never been a better moment to think big and act boldly to harness the best of the thinking and practice, new and old, that we have surveyed here. The prize of getting levelling up right will be the chance to open a new chapter in this country's development. We are confident that with commitment, imagination and the courage to trust in communities, levelling up can mean that no place is left behind.

Appendix.
Analysis of responses to the Call for Evidence

This section summarises the responses to the Call for Evidence survey run by the Commission in the autumn of 2020.

Characteristics of respondents

We received responses from 38 respondents from a range of backgrounds.

- **12 respondents had role titles which indicated that they work directly with local people. These included development workers at housing associations, youth workers, development workers for Big Local, community development trusts, social action hubs/ community organisers, and organisations which represent the voice of local people.**
- **12 held either CEO/Director or head of department roles in organisations such as housing associations, national social investment foundations or funders, service providers to disabled people, rural issues organisations, and locally based umbrella organisations representing the 3rd sector.**
- **7 individuals**
- **4 community businesses (including manager, director & volunteer)**
- **1 manager of a local business**
- **1 respondent gave no role title or organisation**

Analysis of responses

Living and working in your neighbourhood

The positive things about their local place cited by most respondents were **the people, the community spirit and social connections**, which was sometimes connected with a neighbourhood feeling vibrant. This was closely connected to another related theme where people's sense of community was linked to pride in the work they were doing to improving their local area.

The natural environment and outdoor spaces were another strong theme, and was sometimes the first thing people mentioned that they liked about their area.

Poverty, inequality and social exclusion and issues related to this was the issue most often mentioned as the worst thing about their neighbourhood. This can manifest in different ways, for example the issue of gentrification was cited. This has the effect of financially 'leaving behind' groups of people who live within the same neighbourhood as wealthier in-comers, causing exclusion by leaving them unable to afford housing, or the goods in new upmarket shops. Poverty was seen to manifest in many forms with vulnerable families under pressure from food poverty to lack of essential utilities like the internet at home. Many live-in properties that have issues with damp, overcrowding, high rent etc. causing ongoing health issues and stress for the residents impacted. Deprivation was seen to cause worry, distress, anxiety and lack of hope.

Lack of investment and gaps in service provision. Over a third of respondents also mentioned lack of investment and gaps in service provision. This issue was often mentioned alongside poverty and social exclusion. Some respondents pointed out that cuts in services hit the poor hardest. Cuts have left under resourced public services stretched to breaking point and as a result, more work for volunteers who are increasingly under pressure. This led to feelings that their community has been forgotten about, or that the authorities don't actually care about the people they exist to serve. Issues relating to **lack of community facilities and services** came up a lot. Some identified the lack of a community space as the issue, and other respondents spoke about a lack of leisure activities and other services. **A poor quality environment was seen** to contribute to the negative feel of the area – driven by heavy traffic and anti-social parking and driving behaviour (e.g. speeding in residential areas), and dumping and litter on the streets.

Crime issues cited ranged from youth violence and gangs on urban estates, to "persistent low level anti-social behaviour" undermining community efforts in a rural village. **Run down buildings and housing issues** included the neglect of buildings, poor private rented accommodation, and homeless people having to live in B&B's rather than an actual home. Poor design of the built environment was also cited - especially in social housing – as causing issues with safety, causing stigma and having no 'sense of place'.

Responses about what would make the most difference varied widely depending on the needs of different local areas. However, a striking commonality – mentioned in over half the responses - was the theme that any change should be led and owned by the people of that local area. This ranged from involvement in neighbourhood design (e.g. streets and buildings codesigned with those using them), through to service provision (e.g. people with experience of homelessness being involved in finding effective housing solutions) and better connections between schools and their local communities, "so that they support families and

Appendix.

Analysis of responses to the Call for Evidence

young people as much as they education them". There was also recognition that we need to "build on what's happened during the pandemic" referring to the increase in community organising through mutual aid groups. What respondents feel was needed are spaces for such activities to take place, and the support and capacity building in place to facilitate it, in partnership with authorities and local stakeholders

More 'soft' activities, events and workshops run by local people would be beneficial and could also include opportunities for people to test new business ideas. "The people who live in communities are constantly creating social value". A connected theme is **changing perceptions** of stigmatised areas and building a **sense of pride** in one's neighbourhood. One respondent described the need to "tell a different story" about the amazing people and the great work that does go on is also starting to change the way people feel about living here"

The built environment came up in many different aspects, from better resourcing for planning departments and greater influence for local people over private development, to better regulation of social and private landlords, plus the basic need of housing provision which is affordable.

More employment opportunities and mentoring and training support (mentioned by a 5th of respondents) were common priorities, including getting more women into work, including those from BAME communities. "More unemployment and tenancy support for changing institutional generational unemployment…" plus the need to support the local economy through "incentives …to get people away from big corporations and to use local businesses".

Among the most commonly cited things which would make the most difference was **lessening the impact of traffic and giving more priority to pedestrians**, through pedestrianisation and traffic calming, to create a more liveable neighbourhood, combined with improved public transport links. **Improving green** space was seen as important, as was controlling litter and fly tipping.

The experience of left behind places

Responses showed that left behind places cannot be seen as one group. For example, coastal communities are very different from deprived housing estates in cities, and different again from rural areas where people earn low wages and have poor access to services. But all respondents agreed that there were many more challenges and much fewer opportunities in deprived or left-behind neighbourhoods. Challenging characteristics of left behind places included:

High unemployment and poor-quality employment opportunities (e.g. out of town warehouse shift work) Historically low investment, and little incentive for private sector to invest because of low levels of skills, poor environment etc. Limited opportunities for employment and training. High concentrations of people suffering financial and other forms of hardship.

Low levels of community cohesion and pride (often linked to stigma). Low ability for local people to self-organise and engage with authorities. Lack of ambition, no pride of place, low aspirations, lack of respect for the area, dirty environment, dilapidated buildings, confrontational attitude to elected members.

Lack of access to services and social infrastructure, such as post offices, shops, pubs or community centres. Respondents also cited poor access to free childcare, transport routes that are expensive and don't serve the right places, retail opportunities which are expensive and unhealthy, and a lack of access to sport, recreation or cultural facilities. Digital exclusion is also a huge issue.

The cost of travel is often prohibitive and not experienced by those in more prosperous neighbourhoods. If quality services, leisure opportunities and jobs don't exist in an area then people will need to travel to them.

Socio-economic factors like education, health linked to high rates of isolation, food poverty and young people going to school hungry, smoking and misuse of alcohol, anti-social behaviour and drug activity going unchecked. Cultural barriers were cited in places with large number of people who speak English as a second language, or can't speak English, meaning more support is needed for people to be able to engage with the education system and other public institutions.

Pockets of poverty by pockets of wealth, particularly in big cities, can lead to communities becoming divided and feeling left behind. Sometimes this happens of its own accord, and sometimes the issue is exacerbated by regeneration programmes, which can make the unaffordability of housing increase divides for local people.

Inaccessible environments cause challenges of reduced independence in areas with above average populations of older people.

The built and natural environment as well as the design of neighbourhoods was felt to be hugely important in helping people to thrive. Many respondents agreed that a good environment is critical to a sense of wellbeing. People with open spaces to explore, such as parks, beaches, countryside feel better mental and physical wellbeing. A clean, tidy, green neighbourhood leads to pride and happiness, and this can lead to more successful cohesive communities. Fewer cars, less emissions, places for children to play etc. can have a very positive effect on left behind neighbourhoods.

By contrast, respondents felt that people in left behind neighbourhoods suffer due to poor quality environments. Lack of green space, clean air, and a lack of recreational facilities are major problems. Poor environments contribute to feelings of lower status and lack of pride in the area and to lower expectation, and can be actively detrimental to people's physical and mental health through poor housing, or air pollution. **Connection to natural spaces is important**. Some deprived areas have beautiful places nearby, but residents don't feel ownership and do not use them. Opening the connection to the natural environment can stop areas from being isolated as well as providing a multitude of wellbeing benefits. **Trees** were highlighted as a contributor to beauty of an area, and mental wellbeing, as well as air quality and cooling and carbon reduction, while **growing projects** give people the chance to meet others in their neighbourhood and swap plants, seeds, fruits and vegetables.

Heritage buildings also have an important role playing a significant role in shaping people's identity and maintaining civic pride in local areas. An area's built heritage being in a poor state of repair or dereliction adversely effects this and feeds into people's anxiety about the direction of their neighbourhood and impacts on their well-being. A poor-quality built environment was also seen to contribute to a lack of investment from the private sector, which often sees this as too risky. In areas where there is more tourism people may have more opportunities for jobs and leisure activities.

Appendix.

Analysis of responses to the Call for Evidence

Regeneration efforts

The main reason for success of projects to improve neighbourhoods were:

Good resident and stakeholder buy-in led by local people - 80% of those who responded to this question emphasised the importance of initiatives which are guided by the input and needs of local people. **Community cohesion** was mentioned by around a third of respondents; the idea that a local community must be well connected and networked enough with one another to be able to respond when the opportunity arises and articulate some shared aspirations for their area. The integrity, professionalism and consistency with which councils and others engage with local people is also crucial to ensure that community groups remain positive and engaged, to overcome cynicism born of repeated experiences of poor-quality engagement and short-term initiatives. As well as having input into the plans for renewal of an area, well-engaged residents can also take part in maintaining the measures put in place and advocating for it to their neighbours, resulting in greater local pride and ownership. Community consultation must include the network of key players and anchor organisations in a local area. "Those which succeed have good community buy in, get the community involved in activities, are open and honest with residents, hold consultation events and really listen to residents."

Effective partnership working was mentioned by nearly half of respondents – i.e. local authorities, housing associations, community organisations, local people and other stakeholders developing good lines of communication and working relationships, and working on a shared plan. **Expert advice,** respectfully delivered, was also seen to have a place. Another essential ingredient of this approach is a **long-term commitment to regeneration**, since good plans, working relationships and trust all take a long time to develop.

Respondents said that long term regeneration plans must also be matched by long term funding commitments. Regeneration efforts are sometimes seen as failing due to short term funding that is expected to deliver lasting impacts. The **private sector can bring valuable capital investment and jobs** – they can succeed because they have the capital in the first place to get something up and running, when the public sector would not – but the use of this capital must be well informed by local need.

Responses about the long-term success of regeneration initiatives highlighted the importance of **strong community led organisations** whose role it is to engage directly with residents, help them articulate their needs, amplify their collective voice, and provide services to meet their needs. **Asset ownership** was identified as key to making some of these organisations sustainable over the long term. Similarly, charity-led regeneration projects were seen as more likely to succeed when charities are well embedded in their community through their mission, their longstanding track record, their strong partnerships and good communication with local service providers, and their understanding of the unique social context. For example, successful charities often take a partnership approach to community engagement, working with anchor organisations and VCS umbrella organisations to facilitate democratic participation at a hyper local level. One respondent stated: "In order to succeed, charities have to be embedded in their communities and have a deep knowledge and understanding of them". Another wrote: "[charities] that are grassroots with lived experience thrive".

The reasons given for why some regeneration attempts are unsuccessful were very much the reverse of the reasons given for success:

Top-down initiatives, that are unsuited to local conditions, and a lack of proper community engagement and effective two-way communication between authorities and local communities, were frequently cited as fundamental flaws. Another example of poor practice is where an authority or agency might involve only a small section of the community, sometimes with very vested interests. "There is also rarely "one" community so what looks like success to one part of the local population may feel very alienating to another part".

This problem is not unique to public authorities. The success of charity-led regeneration was seen as critically dependent on how closely connected the organisation is with the needs of local people, and other service providers in the area. Charities with a weak connection or history in the local area can end up as well intentioned but failing attempts to take traditional approaches in new areas where they have less contextual understanding of the issues: "Charities with a presence in larger towns attempting to offer outreach [to rural areas] from the town and not understanding the challenge of rurality". At worst, some were seen as being more focused on organisational growth, rather than improving the neighbourhood itself. "In poor neighbourhoods national organisations gate-crash for funding and investment as opportunity to grow their organisation as opposed to improve place." One respondent mentioned that there can be some stigma to accessing charities – particularly in the BAME population.

Private sector-led schemes were also seen to often fail due to lack of lack of communication with and response to local people's needs. "Parachuting some grand scheme/design onto a neighbourhood without genuine integration and thought usually fails." Some private sector led regeneration leads to results which are too niche or too expensive for the local population or involve unpopular moves such as closing or knocking down local amenities. "For some gentrification and displacement has had a very positive return for the investor, but not the community [pricing out those who already live there]. Effective planning control is needed."

An overall lack of funding, and the wrong sort of funding, were identified as problems. Often schemes were seen to have too much focus on short term funding and on capital investment, while overlooking the importance of social infrastructure. The incentives for private companies are not always aligned with those that live in the area, being more aligned to profit: "[Private-led schemes] fail because they need a return on their investment and won't wait long enough to get it."

A lack of joined up thinking and delivery resulting in organisations 'working in silos'. Poor partnership working was recognised as not always being the fault of the non-profit partners, but that can be down to lack of co-operation from statutory bodies. Some respondents connected this to funding – implying that more stable longer-term funding available from local authorities would enable charities to take a longer-term view.

Appendix.

Analysis of responses to the Call for Evidence

Proposals for government

The question 'what could central government do differently to support improvement in left-behind neighbourhoods?' generated a wide range of responses. These are summarised as follows:

- **Devolve funding and decision-making power to neighbourhoods** was mentioned the most frequently
- **Extend and strengthening the community right to bid**
- **Support Community Ownership Models** - Supporting the creation of regional or local land trusts to hold land and enable its generative use
- **Increase community investment**
- **Think long term** - A recognition that short term funding won't work; invest for five or even ten years
- **Keep monitoring light touch, and trust in delivery organisations with a good track record**
- **Listen more to communities** from deprived neighbourhoods
- **More funding for proven regeneration approaches**
- **Introduce business grants for young people**
- **Increase incomes with welfare benefits and a higher minimum wage**
- **Make benefits easier to access, administer and process** and join up health and job seeking for welfare claimants
- **Better analysis of needs based on local incomes**
- **Ensure public transport is the best it can be**
- **Improve the visibility of the police**
- **Protect green spaces in urban areas** to the same extent they are protected in rural and more affluent areas
- **Allow Local government greater flexibility on how they can raise finance** and operate services that can generate income along with supporting employment and service delivery
- **Improve digital connections across deprived neighbourhoods, especially rural areas**
- **Redefine how supermarkets redistribute their food waste**
- **Tax wealth and/or landownership** as opposed to the productive use of the land or buildings like business rates
- **Tax breaks for left behind areas** to encourage investment and growth in these areas
- **Lower or waive business rates for small businesses and start ups**
- **Recognise the value of culture in future government regeneration programmes** designed to support left-behind neighbourhoods
- **Support libraries' role as** community hubs and information centres for digital access,
- **Do more joined up thinking, from a perspective of the social outcome** – join up services targeted and left behind communities. Look at social issues as a whole
- **Support the initiatives, agencies and partnerships already available rather than reinventing the wheel**
- **Align central and local government outcomes**
- **Build more good quality properties** to reduce use of the private rented sector
- **Update the existing housing stock**
- **Introduce more tax incentives to encourage home ownership**, to keep neighbourhoods together and not encourage the more affluent to leave an area
- **Provide grants to reduce domestic carbon emissions** of our properties
- **Devolve major investment funding to local authorities to address the poor design of some of the estates built in the 1970's**
- **Make information about planning developments more accessible**
- **Reform the Land Compensation Act 1961** to allow local authorities to CPO at current use value
- **Ensure social value is embedded into White Papers** and that the Social Value Act is regularly reviewed to ensure it's fit for purpose and expanded more widely across sectors
- **Give Part M of the building regulations more teeth**
- **Consider a broader range of community needs in the planning system,** including cultural provision

Appendix.

Acknowledgements

We would like to thank all the experts, practitioners and community representatives who generously contributed to this research.

Maria	Adebowale-Schwarte	Foundation for Future London
Charlotte	Alldritt	Centre for Progressive Policy
Pete	Ashworth	
Tom	Aubrey	Credit Capital Advisory
Kim	Ayling	SO18 Big Local
Richard	Bacon	MP
Pete	Bailey	
Matt	Baker	Midsteeple Quarter
Jo	Bambrough	The Good Things Collective CIC, West End Morecambe
Beti	Baraki	NEF Consulting
Darren	Barker	Great Yarmouth Preservation Trust
Silviya	Barrett	Campaign for Better Transport
Matt	Bell	Grosvenor
Neil	Berry	Access - the Foundation for Social Investment
Luke	Billingham	Hackney Quest
Maria	Billington	Acts of Random Caring CIC
Daniel	Black	University of Bristol
Margaret	Bolton	Local Trust
Chris	Brown	Igloo
Sam	Bruce	Centre for Social Justice
Dominic	Bull	Fields in Trust
Amy	Burbidge	Homes England
Georgie	Burr	Local Trust
Jemma	Burton	
James	Butler	Cooperative Party
Tom	Chance	National CLT Network
Alex	Chapman	New Economics Foundation
Dave	Chapman	Triformis
John	Clasper	Cumbria Third Sector Network
Mary	Clear	Incredible Edible Todmorden
Elizabeth	Clegg	The Muncaster Microbus Ltd
Joanne	Cooper	Back on the Map
Andy	Coulthard	Livin HA
Chris	Cowcher	Plunkett Foundation
Tim	Crabtree	Wessex Community Assets
Mark	Cropper	Kendal Futures
Dan	Crowe	Local Trust
Ross	Denby	Just Gaia LTD
Cheryl	Dixon	
Rachel	Dodson	Leeds Community Spaces
Steve	Dowling	Association of Convenience Stores
Tim	Edwards	TJE Consulting
Andrew	Elder	The Climate Community
Martin	Field	East Midlands Community Led Homes
Jackson	Fraser-Hague	Chatham Arches Local
Bill	Phelps	Chapeltown Cohousing
Peter	Freeman	Homes England
Charlotte	Fryett	Reach Academy
Shona	Glenn	Scottish Land Commission
Caroline	Gore-Booth	Giroscope
Helen	Goulden	The Young Foundation
Georgie	Grant	Onion Collective
Emma	Griffin	Foundation for Integrated Transport
Helen	Griffith	Fields in Trust
Suzanne	Halliwell	Whitley Bay Big Local
Faye	Harburt (prev Gatenby)	ECL Sensory Service
Beth	Harries	Historic England
Elizabeth	Hearn	CPRE
Geoff	Henderson	Urban Hax CIC
Rebecca	Heron	Wigan Council
Stephen	Hill	Community led housing expert
Steve	Hoey	Leeds Community Homes
John	Holland	Cumbria Third Sector Executive
Neal	Hudson	Resi Analysts
Will	Hurst	Architects Journal
Nas	Hussain	Mannigham Housing Association
Noel	Isherwood	Noel Isherwood Associates
Danielle	Jackson	MetroDynamics
Siân	Jay	West End Morecambe Big Local
Sam	Jones	National CLT Network
Stephen	Joseph	Transport for New Homes
Yusef	Karolia	
Danny	Kruger	MP
Melissa	Lacide	
Tiffany	Lam	NEF Consulting
Hannah	Langdana	Chapeltown Cohousing
Adam	Lent	New Local
Scott	Mackay	Midsteeple Quarter
Neil	McInroy	Centre for Local Economic Strategies
Polly	McKenzie	Demos
Ailbhe	McNabola	Power to Change
Vicky	Miller	Livin HA
David	Milner	Create Streets
Nik	Milnes	Community Homes Tees Valley
Matthew	Morgan	Quality of Life Foundation
Dean	Nigel Chambers	Happy Village
Frances	Northrop	New Economics Foundation
Neil	O'Brien	MP
Gilly	Orr	Social and Sustainable Capital
Katie	Parsons	Historic England
Andrew	Pendleton	New Economics Foundation
Mark	Pepper	Ambition Lawrence Weston
Stephen	Perez	Chatham Arches Local
Sarah	Pilkington	
Chris	Price	West End Morecambe Big Local
Jo	Proctor	SO18 Big Local
Julie	Ralph	Bolton at Home
Mark	Robinson	High Streets Task Force
Sian	Rogers	Calderdale Council
Stephen	Rolph	Locality
Josh	Ryan-Collins	Institute for Innovation and Public Purpose
Rose	Seagrief	Power to Change
Nick	Small	Liverpool City Council
Pippa	St John Cooper	Whitleigh Big Local
Jess	Steele	Jericho Road
Kate	Swade	Shared Assets
Stella	Taliadoros	Locus of Walthamstow
Will	Tanner	UK Onward
Andrew	Taylor	Countryside
Priya	Thamotheram	Highfields Centre
Victoria	Thompson	Historic England
John	Tomaney	University College London
Susan	Tron	Communities on the Map
Judy	Tullett	Cars Area Together Big Local
Ed	Vainker	Reach Foundation
Alison	Vint	Big Local Thurnscoe
Nicola	Wallace Dean	
Jonathan	Werran	Localis
Graham	Weston	High Trees
Peter	Wilding	Rochdale Boroughwide Housing
Debbie	Wildridge	Locality
Joe	Wills	Centre for London
Angie	Wright	b-inspired
Arfan	Zaman	One Palfrey Big Local

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foundation