

National Institute Economic Review

<http://ner.sagepub.com/>

Housing and regeneration: the problem or the solution

Mark Kleinman and Christine Whitehead

National Institute Economic Review 1999 170: 78

DOI: 10.1177/002795019917000111

The online version of this article can be found at:

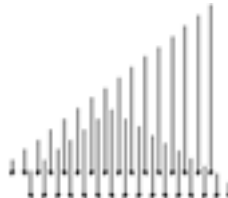
<http://ner.sagepub.com/content/170/1/78>

Published by:



<http://www.sagepublications.com>

On behalf of:



[National Institute of Economic and Social Research](http://www.niesr.ac.uk)

Additional services and information for *National Institute Economic Review* can be found at:

Email Alerts: <http://ner.sagepub.com/cgi/alerts>

Subscriptions: <http://ner.sagepub.com/subscriptions>

Reprints: <http://www.sagepub.com/journalsReprints.nav>

Permissions: <http://www.sagepub.com/journalsPermissions.nav>

>> [Version of Record](#) - Oct 1, 1999

[What is This?](#)

Housing and regeneration: the problem or the solution

Mark Kleinman and Christine Whitehead*

Housing policy has traditionally been highly specific, concentrating on providing decent affordable homes. Now, however, housing is being seen more as a major factor in locating wider problems of deprivation and social exclusion, as well as an important part in solutions, not only by increasing housing quality, but more widely through its impact on the neighbourhood, regeneration and even urban renaissance. The article reviews a range of research findings on the role that housing plays in concentrating problems of deprivation and decay, on the relationship between deprivation and housing conditions, on how the housing market operates in relation to successful area-based employment and regeneration policies, and the implications that these results have on how area-based policies should be evaluated.

Introduction: housing the source of current problems?

Housing policy has been traditionally concentrated on providing 'a decent home for every family at a price within their means', where 'decent home' has been defined in terms of the physical attributes of the dwelling and the occupancy of that dwelling (see, for instance, Department of Environment, 1971 and 1977). Policy concentrated on providing enough housing and on subsidising that housing so that low income households were able to achieve adequate standards. Social landlords were expected to provide decent homes and it was assumed that such homes would be acceptable to their tenants.

Slum clearance, mainly in older inner urban areas, was an important part of housing policy in the 1950s and 1960s. The dwellings lost, which at the height of the programme ranged between 80,000 and 100,000 per annum, were replaced with much lower density, but often high-rise, estates in the same areas and by large estates on the periphery of urban areas as well as new town development. One result of this approach was to reduce the importance of housing in the economy of central urban areas, while at the same time generating one-tenure localities often with limited community services. These policies, together with the fact that the dwellings built at the height of the social housing boom are anyway now in need of large-scale improvement, are seen as a major source for current difficulties – identified as inadequate housing in the centre of cities, as well as poor housing, inadequate employment and limited opportunities for those on the large local authority estates.

In the 1970s policies changed to ones of rehabilitating the existing stock and, to a limited extent, improving the immediate localities through Housing Action and General Improvement Areas, undertaken by means of improvement grants to private owners as well as municipalisation and local authority investment. The Right to Buy and other privatisation policies have returned much of this stock to the private sector while leaving in municipal hands most of the large estates and high rise blocks. At the same time those who moved into the new estates in the 1950s and 1960s have either moved out to better opportunities or have grown old and in need of greater assistance. Relettings made available as a result of death or movement out of the area have, on average, been allocated to much poorer households – as the policy emphasis shifted away from housing up to a third of all households, many of whom were in stable employment, to a smaller social sector whose major objective has become to house the neediest. Overall the result is seen to be a concentration of both housing and wider social problems in particular localities, notably on local authority estates.

In the 1980s and 1990s the emphasis shifted again towards restructuring ownership in the social sector in order to bring in private finance both for new development and to fund the necessary rehabilitation of the local authority stock. Large-scale voluntary transfers, which free up funds for investment, have occurred mainly in more rural areas and the leafy suburbs – the problem of how effectively to fund the investment necessary in the older urban areas is only just beginning to be addressed.

* London School of Economics, Houghton Street, Aldwych, London WC2A 2AE. Tel: 0171 955 7527; e-mail c.m.e.whitehead@lse.ac.uk.

Current government policy

The current government has placed far more emphasis on the wider aspects of housing and on the need for 'joined up thinking' to address the problems, which are often seen to be more about people than housing *per se*. So, for instance, the housing objective has been re-stated as 'offering everyone the opportunity of a decent home and so promoting social cohesion, well being and self dependence' (Department of Environment, Transport and the Regions, 1998). Equally, the Government's Social Exclusion Unit (SEU) argued, in its report 'Bringing Britain Together' (SEU, 1998), that there are "pockets of intense deprivation where the problems of unemployment and crime are acute and hopelessly tangled up with poor health, housing and education". Moreover, it went on to argue that past Government policies are partly to blame:

"Poor housing design has had a big impact, weakening communities and making neighbourhoods less safe. And policies on housing allocation, rents and benefits have tended to concentrate the poor and unemployed together in neighbourhoods where hardly anyone has a job." (SEU, 1998 p.9)

The solution is seen to be in terms of 'joined up policies', which can set in motion "a virtuous circle of regeneration, with improvements in jobs, crime, education, health and housing all reinforcing each other".

Similarly, Hilary Armstrong, then Housing Minister, wrote in 1998:

"Housing is at the centre of the Government's social policy. This Government's housing policy will take more account of broader social impacts and, in particular, will focus on strengthening the family, tackling social exclusion and meeting welfare to work objectives. I want to see a more comprehensive and integrated approach applied at both the national and the local level. At national level, this means Government Departments working closely together. At local level, it means housing authorities working closely with their partners – tenants, residents, people in housing need, businesses, lenders, housing associations, community and voluntary groups and other statutory agencies – to develop real, comprehensive housing strategies and the partnerships necessary to put them into practice."

(Hilary Armstrong, *Principles for a New Housing Policy*)

In addressing these problems the government has placed great emphasis on area-based initiatives including in particular Health and Education Action Zones, New Start and Sure Start as well as New Deal for Com-

munities and a revamped Single Regeneration Budget concentrating on much smaller, more deprived areas than were originally envisaged. These policies concentrate funds on particular localities, designated mainly in terms of the depth of the observed problems together with evidence of positive initiatives, that include community and private sector involvement. Some of these initiatives are demonstration projects which, if successful, will be rolled out more widely across the country. Others will remain concentrated on a relatively small number of particularly vulnerable areas.

In addition the allocation of main programme finance is further concentrating resources. In particular, the Comprehensive Spending Review allocated over £3.5 bn (technically from capital receipts from the sale of local authority housing and land) to local authorities for investment purposes. Most of this money is expected to be used to improve the existing local authority stock, the worst of which is concentrated in deprived, often inner urban areas. Some has been specifically allocated to New Deal for Community, shifting funding from housing to wider social issues.

While these initiatives are defined in terms of localities, and the use of capital receipts has increased the funds available for housing-based improvement and regeneration, there are very significant shifts in the attributes of these policies, away from simply improving the physical fabric of the dwellings and immediate environment to increasing the opportunities for the households living in these areas. Thus, housing is seen far more as being the location of problems than either as the source of the problem or as the most important solution. In particular, many local authority estates are seen as problematic because of the concentrations of household problems rather than specifically because of the nature and quality of the stock.

These changes in policy raise a number of important issues: about whether the evidence on the relationship between poor housing and deprivation is consistent with the current understanding of housing and community problems, about the appropriateness of small area approaches to alleviating both housing and deprivation and to assisting regeneration, and about how success should be measured – particularly in terms of improvements for the relevant households wherever they are ultimately located as compared to measured improvements in the identified areas. Here we report on a number of research findings relevant to these questions.

The relationship between deprivation and housing

The extent to which deprivation is concentrated in particular types of locality and to which these differentials

have been increasing is well documented (for example, Social Exclusion Unit, 1998). The evidence shows that the most deprived areas are mainly in large cities, including London as well as in some other urban areas in the North and Midlands. These areas are often coincident with the decline in particular industries (Turok and Webster, 1998). More detailed work on the location of employment details the drift of jobs from urban to rural areas, the impact of the decline in manufacturing and the contraction in male, manual jobs, most often filled by those living in the social sector (Turok and Edge, 1999).

The interface between deprivation and poor housing has also been well documented (see, for example, Smith, 1999). It shows that deprived areas do have disproportionately high concentrations of poor housing, especially at the ward level. In particular 24 per cent of households in the 5 per cent most deprived areas wards in England live in poor housing as compared to 18 per cent in the most deprived districts and an overall average of 13 per cent. Even so, while it is clear that these areas suffer disproportionately, housing problems are much more widespread. Unfitness and poor housing is particularly concentrated in the private rented sector which is spread across a much wider range of authorities than is the case with respect to severe deprivation which is generally, although not exclusively, concentrated in the local authority sector. On this basis, if the objective of housing policy is to ensure better housing for all, the case for locational concentration is not overwhelming. If, however, it is argued that housing policies can help to alleviate deprivation more widely, then the implication must be that assistance should be relatively concentrated in deprived areas with large proportions of social housing stock.

The argument is similar with respect to the location of employment in areas with high proportions of social housing. There is strong evidence of concentration:

“In wards where social housing made up more than 75% and 50% of the total housing stock, 26% and 19% of economically active people respectively were unemployed compared with a national average of 9% (1991 census, DETR analysis). Moreover, a special analysis of 1995 DfEE data on long term unemployed claimants from 320 large deprived social housing estates revealed that 47.5% of the unemployed had been unemployed for over 12 months compared with a national average of 35.7%.” (Smith, 1999)

Even so, the relationship is by no means complete. It is highly correlated in London, but in other regions it is less clear cut: in particular, unemployment in the 5 per

cent most deprived wards is considerably higher than in wards with more than either 50 per cent or 75 per cent social housing. Targeting areas of poor social sector housing will tend at the same time to target areas of multiple deprivation, but will equally exclude some of areas with the greatest problems.

Housing and employment

In order to evaluate what is feasible and what is desirable in concentrating assistance on areas with poor housing, it is necessary to understand the ways in which the housing system operates to contribute to area concentrations of poverty and other forms of deprivation. In particular, it is argued that spatial patterns of the incidence of unemployment and other economic measures of deprivation within large urban areas reflect housing market outcomes and residential segregation, rather than local variations in economic performance. For example, a study of the London economy concluded that:

“there is a very weak connection between local economic performance and the incidence of unemployment, even at the Greater London level. For smaller areas within London, this is even more true; spatial variations in unemployment rates essentially reflect the residential distribution of those groups in the weakest competitive position. There seems to be a progressive marginalisation, so long as high unemployment persists, of those groups of workers in the weakest competitive positions, who are highly concentrated in a few locations in the region.” (Association of London Government, 1997)

The housing system is thus seen as a key intervening variable by which national, or even international structural economic change is translated into a local pattern of area disadvantage and polarisation. This is a key message for policymakers to grasp. The root causes of most area concentration and polarisation effects are *non-local* – but they have real local impacts, which are intensified through the operation of negative externalities (Kleinman, 1998a, 1999).

How does the housing system reinforce this pattern of spatial economic disadvantage? In a predominantly market-based system, one would expect polarisation and concentration to occur through the impact of market forces in an environment where many of the costs of poverty arise from these negative externalities. In such a system, in economically unpopular or deprived areas, rents would fall, creating disincentives for investment by property owners. For households able to exercise choice (i.e. with some economic stability and/or resources) there is the possibility of out-migration from the area. The stigma attached to the area means that it is

attractive mainly to households with no other options. The out-migration of the more affluent groups and the in-migration of predominantly poorer households give another twist to the downward spiral of rents, property values and investment.

While, in principle, social ownership of the stock might prevent such a process of slum formation, in practice the operation of administratively allocated social housing tends to mimic these processes. Households able to exercise some choice – either by being able to buy or rent in the private housing market, or by being able to secure a better social housing tenancy by virtue of their status as good tenants – will, over time, exercise that choice by moving away from the area. Allocation rules which prioritise homelessness and other forms of housing need, together with the structural reality that those in the most desperate circumstances are the least likely to refuse an offer of accommodation, mean that most incomers will be relatively disadvantaged. A large proportion are likely to be outside the labour force. But even when members of the households are potentially participants, this weakness in the housing market is, in many cases, linked to labour market weakness, making members of such households more likely to be unemployed or in marginal jobs.

These housing processes will have a marked impact on the outputs and outcomes of regeneration policy. For example, simply measuring unemployment rates in a specific area before and after a regeneration initiative which has been successful in increasing employment may show little change, because of the effect of differential in-migration and out-migration. A good example of this is given in the evaluation of the Harlesden City Challenge programme in west London (Cheshire, Flynn and Jones, 1998). Harlesden City Challenge (HCC) was one of 31 City Challenge programmes in England. Over a five-year period, HCC sought to achieve an ambitious range of economic, social and physical objectives, ranging from increased employment for local residents to better transport infrastructure to improved community safety and quality of life.

As part of the evaluation, the authors of the study investigated the composition effect on employment and unemployment within the HCC area related to differential migration. They did this by surveying three groups: a sample of residents of working age who lived in the Harlesden City Challenge area throughout the period of the programme (stayers); a group who had moved into the HCC area during the lifetime of City Challenge (inmovers); and a group of people of working age who had moved out of the HCC area over the period (outmovers). Despite the difficulties in constructing

Table 1. Labour market position: HCC residents and migrants

	<i>per cent</i>		
	Inactive	Currently unemployed	Employed
Stayers	42	15	41
Inmovers	31	21	48
Outmovers	39	9	51

Source: Cheshire, Flynn and Jones, 1998.

Table 2. Unemployment and ethnicity: HCC residents and migrants

	<i>per cent</i>			
	White British	White other	Black	Asian
Stayers	26	11	52	2
Inmovers	40	20	30	10
Outmovers	50	33	17	0

Source: Cheshire, Flynn and Jones, 1998.

such a sample, they were able to produce statistically significant results.

As Table 1 shows, inmovers were more than twice as likely as outmovers to be unemployed, with stayers in an intermediate position. Furthermore, among black respondents, inmovers were almost twice as likely to be unemployed and stayers more than three times as likely as compared to outmovers (Table 2).

The study also examined measures of job satisfaction, working conditions, skill levels and pay. On all measures outmovers had improved their position in the job market relative to the other two groups, and in all cases but one this was statistically highly significant. Outmovers were much more likely to have full-time jobs. Inmovers were the least likely to be in full-time employment.

Encouragingly, there was evidence that a significant part of the improvement in the labour market position of the outmovers was the result of participation in training. The authors concluded:

“There is strong evidence that there was an improvement in access to jobs and in the kind of jobs which local residents had. But this was matched by an equally strong tendency for those whose access to jobs improved to cease to be local residents and to be replaced with people who had a propensity to be unemployed more than twice that of outmovers. Thus a significant factor in the persistence of high unemployment in the HCC area can be explained

by this changing composition of its residents.”
(Cheshire, Flynn and Jones, 1998, p.85)

This suggests that the policy was successful in terms of the most directly relevant criterion – that the relevant population was assisted. But if success were measured on an area-based assessment, the initiative would seem not to be value for money. This is a finding which can be replicated elsewhere, although with less detailed tracking. Work by McGregor and others (for example, McGregor and McMannachie, 1995) for instance has shown, in the Scottish context, that, while housing investment policy can assist the local economy both through the creation of local housing-related job opportunities and increased community participation, and that successful improvement and tenure diversification may reduce the extent of outmigration, the evidence remains that those who benefit most tend to continue to move out.

This process of residential segregation and polarisation also has secondary, induced effects on the attitudes of both local residents and local employers. Where there are high levels of unemployment, and weak attachment to the labour market, there is an absence both of networks for accessing job opportunities and also of the cultural milieu that promotes and supports work-readiness. Interviews with a range of local actors, undertaken as part of the Harlesden City Challenge evaluation, reflect these issues (Kleinman, 1998b):

“There are people who are unemployed, living locally, who may not be as aware of the labour market as they should be or could be. They may not be aware of the skills they need: discipline, wearing the right clothes – whatever you want to call these work skills. But one could also argue that maybe the support is not there to help them appreciate what is needed.” . . . “there is a strong feeling amongst [local] employers that the local workforce is ‘not up to it’” . . . “if our employers are constantly told that we have a disadvantaged workforce, then that becomes their perception and when they move [here] they will bring their own people with them.”

These attitudinal effects are very place-specific, often relating to particular estates. Such attitudes are influenced by the operation of the local housing system and can, in principle, be modified by successful housing regeneration policies – notably those which reduce the incentive to move out as soon as possible or effectively modify the attributes of new entrants.

Household attitudes: people, place or tenure?

In order to clarify the factors which might help to change attitudes and behaviour it is important to under-

Table 3. Satisfaction with dwelling and area

	Very/fairly satisfied		Very dissatisfied	
	Dwelling	Area	Dwelling	Area
Chalkhill	53	45	23	28
Hangleton & Knoll	88	85	3	5
Bradford	74	58	16	20
Rochdale	82	65	7	12
Swadlincote	87	84	4	5
Sunderland	91	82	1	6
Nottingham	77	60	9	14
All 7 SRB Areas	80	69	9	13
England	90	87	2	3

Source: MORI survey: *Survey of English Housing 1995/96*.

stand how those who live in deprived areas see their problems and whether these attitudes are consistent with the types of policies being introduced. Detailed analysis of a social survey carried out as part of the evaluation of the initial SRB programme sheds some light on these questions (Smith and Whitehead, 1998; Whitehead, 1999). The survey concentrated on seven SRB areas, which were in most cases rather more widely delineated than would be designated under the current rules. The areas taken together included an average of over 50 per cent rented housing, including two areas with more than 75 per cent (Chalkhill and Nottingham) and two where the local authority held a near monopoly of the rented housing available (Chalkhill and Bradford).

Dissatisfaction with both the dwelling and the immediate area was over four times higher than the national average (table 3) with dissatisfaction particularly high in Chalkhill, Bradford and Nottingham. Dissatisfaction with the area was more general than with the dwelling and this was reflected in fewer than 70 per cent being very or fairly satisfied with the area as compared to 90 per cent in England as a whole.

Dissatisfaction with the area

When asked about positive and negative attributes of their areas 8 per cent of residents, rising to 23 per cent in Chalkhill, did not cite anything positive about the area. Those who did concentrated on accessibility to shops, good neighbours and a quiet and peaceful neighbourhood (all mentioned by over 20 per cent). Serious area-based problems included, in particular, general levels of crime, vandalism and hooliganism, drugs, litter, traffic, noise and dogs (table 4). Drugs, in particular, were seen as important in Bradford, Nottingham and Chalkhill, as were vandalism and hooliganism – all areas with high

Table 4. Serious area-based problems

	<i>per cent</i>					
	Crime	Vandalism/ hooligan- ism	Dogs/ dog mess	Traffic	Drugs	Litter
Chalkhill	35	37	16	25	18	26
Handleton & Knoll	16	19	23	23	8	13
Bradford	57	47	43	29	59	41
Rochdale	40	28	37	35	21	34
Swadlincote	23	23	25	32	16	13
Sunderland	28	17	22	18	12	12
Nottingham	53	43	51	37	24	4
All 7 SRB areas	36	30	29	28	23	26
England	22	14	16	18*	3*	13

Source: MORI survey: *Survey of English Housing 1994/95**; *Survey of English Housing 1995/96*.

Table 5. Satisfaction with the area

Dependent variables: Very dissatisfied with area		
Number of cases: 1870		
Initial log likelihood: 1478.6		
<i>Variable</i>		<i>Improved Chi.Sq^(a)</i>
Satisfaction with accommodation		225.7
Social ties		63.6
Safety at night		53.7
Area		28.7
Ethnicity		19.0
Income		15.3
Safety in home		8.6
Final log likelihood: 1063.8		
<i>Significant variables</i>		<i>Expected B</i>
Area	Chalkhill*** ^(b)	2.7
(base Nottingham)	Handleton & Knoll**	0.2
Ethnicity	Black*	0.5
(base white)	Asian***	0.2
Income	£200–299**	1.9
(base <£100)	£300+***	2.5
Social ties	***	0.6
(continuous variable)		
Satisfaction with accommodation		
(base very satisfied)	very dissatisfied***	11.3
	fairly dissatisfied***	2.9
	neither*	2.6
	fairly satisfied*	1.7
Safety at home		
(base very safe)	very unsafe**	2.3
Safety walking alone		
(base very safe)	bit unsafe*	1.7
	very unsafe***	2.8

Notes: (a) Extent to which goodness of fit is improved. (b) *Significant at 5% level, **significant at 1% level; ***significant at 0.1% level.

proportions of rented housing and ones which appear particularly to fit the stylised facts of deprivation.

More detailed analysis of the data however suggests a much more complex picture. The results of a logit regression across the whole sample are shown in table 5. They suggest that many of the reasons for dissatisfaction are not captured by the expected variables of household, area and tenure attributes. Only two of the significant variables are person specific – income and ethnicity. Four relate to respondents’ perception of the area and their accommodation – with respect to safety alone at night, safety in the home, how close their social ties are in the neighbourhood and particularly satisfaction with the accommodation. Finally area itself is significant although only with respect to two localities – Chalkhill, which is the only narrowly delineated local authority estate and, at the other extreme, Handleton and Knoll, which is a relatively well-off locality which has a large proportion of private housing.

The results are interesting as much for what is not included as compared with our usual expectations. The stylised facts would suggest both age and gender would be relevant as would time living in the area; that households living in flats would be more dissatisfied than those in houses, as would those living in social sector housing. Similarly there is expected to be an association between dissatisfaction both with household problems and the household’s detailed perceptions of the attributes of the area in which they live. None of these factors, although included in the model, turn out to be significant. With respect to household characteristics neither gender nor age are important. Length of time in the area (separate from social ties), stressful life events, direct victimisation and attitudes to particular attributes of the area do not enter. With respect to the accommodation neither tenure nor dwelling type (house or flat) are seen as relevant.

Looking in more detail at the results, it is clear that dissatisfaction is disproportionately concentrated among those with higher incomes. Those with incomes over £200 per week are twice as likely to be dissatisfied than those on the lowest incomes. Moreover, the higher the income, the more likely is the household to be dissatisfied. Obviously those on the highest incomes are still relatively poor by national standards – but it does suggest that increasing incomes, and by implication, aspirations, will only tend to increase dissatisfaction.

The other very clear, and perhaps unexpected finding is with respect to ethnicity. Black and particularly Asian, respondents are less likely to be dissatisfied than white households, once other variables are taken into account. Simple cross-tabulation on the other hand gave the

opposite impression – with dissatisfaction among blacks and ‘other ethnic groups’ being twice as high as for whites, but Asians have relatively similar views to the white households.

The other significant variables follow the expected pattern: the more social ties you have the less likely you are to be dissatisfied; the more unsafe you feel at home and particularly walking alone at night the more dissatisfied you are and finally the more dissatisfied you are with your accommodation the more dissatisfied – such that if you are very dissatisfied with your home you are eleven times more likely to be very dissatisfied with the area than those who are very satisfied with their home.

Taken together these relationships suggest that the emphasis of policy might be most appropriately on reducing crime, vandalism and hooliganism within the area as well as on improving satisfaction with the accommodation. On the other hand, people’s estimates of whether the situation is getting worse or better seems to be much more closely tied to person variables – young people, particularly men, tend to be more sanguine about changes in the neighbourhood, while older people, particularly longer-term residents, are more likely to think that things are getting worse. In this context income is not significant – suggesting again that improving employment opportunities and income levels may not have any direct effect.

Dissatisfaction with accommodation

Looking at dissatisfaction with accommodation, the most important variables, other than dissatisfaction with the neighbourhood, relate to household composition, including those with children, those with closer social ties in the neighbourhood and those who perceive three or more serious problems with the physical attributes of the area. What is most surprising here is that neither household nor physical attributes of the dwelling appear as major factors – suggesting that the government’s emphasis on the locality rather than the dwelling may be appropriate. In this context, tenure also enters – with local authority tenants five times more likely to be dissatisfied than owner occupiers – implying an *a priori* case for continued tenure transfer to help sustain generally deprived localities.

Mobility in and out of the area

One aspect of social housing is the importance of administrative allocation and the extent to which people have little or no choice when moving into their accommodation. Lack of choice over where one lives is an important element in lack of control over one’s environ-

ment which one would expect to be related to dissatisfaction. This is the case but more with respect to those who were mildly dissatisfied than those who were very dissatisfied. This reinforces the evidence that it is those with potential choice and aspirations who are most concerned about their conditions.

More important from the point of view of sustaining localities is the extent to which dissatisfaction is related to wanting and being able to move out of the area. Actual mobility was relatively low in the majority of areas, as was the desire to move out of the dwelling. However, among those who do want to move, over 60 per cent want also to move out of the area – a far higher proportion than in the country as a whole. With respect to both types of mobility (from the home and the neighbourhood) the emphasis is on perceptions about the neighbourhood rather than either household or property based variables. The only relevant household variable is that women are much less likely to want to move than men. The most important variables relate to the perception of serious problems in the neighbourhood with respect to crime and the local environment and particularly evidence of direct victimisation. Indeed one incident of person related victimisation doubles the wish to move out of the accommodation and out of the area. More incidents further increase the wish to move, although at a decreasing rate.

Overall the detailed evidence of dissatisfaction and mobility suggests that neither are strongly related to specific household variables except to the extent that those who might objectively be regarded as in a better position, and thus perhaps have higher aspirations, tend to be the most dissatisfied. Nor is dissatisfaction strongly related to dwelling attributes. It is to do with perceptions of the neighbourhood in terms both of the individual household’s views of the extent of social ties and particularly to do with how safe people feel both at home and walking alone after dark. Overall the results suggest that if satisfaction is relevant to the long-run sustainability of localities, policies concentrating on crime prevention, and in particular fear of crime as well as to a lesser extent tenure diversity, are likely to have the highest payoffs. This is consistent with the government’s emphasis on housing only as part of wider and more integrated strategies towards communities. It is also consistent with continued emphasis on mixed communities, which can only be achieved by modifying traditional allocation policies and changing perceptions among households able to obtain market housing.

In terms of potential success, the problem remains whether the perceived problems of the area are more about the attributes of the people living in the neigh-

bourhood than about its physical nature or the quality of policing – in other words whether, without a change in the composition of the inhabitants, much can be achieved. As importantly, the evidence from these more widely delineated SRB areas is that the various problems are identified on a very consistent and widespread basis across poorer areas. If this is the case, policies that concentrate on the most deprived areas narrowly defined only make sense as demonstration policies which, if successful, should be rolled out across the country.

Housing policy and regeneration

The evidence presented here shows clearly that the way the housing system operates will impact very significantly on the effectiveness of regeneration and area policies. It is less clear that investment in the housing stock *per se* improves the chances of success – indeed there is considerable evidence in areas of low demand that even new or improved housing remains unpopular if the neighbourhood cannot be made acceptable (Kleinman *et al.*, 1999; Crook *et al.*, 1996).

In its annual report, the Department of the Environment, Transport and the Regions states that

“The Government believes decent homes are an essential element of building sustainable, quality communities – communities where people live and work in health and safety, where there are opportunities to work and improve the economy, and where the environment adds to the quality of life. The Department’s objective for housing is to offer everyone the opportunity of a decent home and so promote social cohesion, well-being and self-dependence. Support for good-quality, efficiently managed social housing plays an important part in meeting that aim. Meeting this objective is a vital part of creating communities where development can take place sustainably.” (DETR, 1999, Chapter 2)

Equally, the ethos of this government’s public expenditure strategy is that investment in housing will have to show that it provides as good or better value for money than other government investment opportunities. The strength of this case relies very heavily on three arguments – that society has a commitment to ensuring that everyone has access to adequate housing, widely defined; that additional investment in existing housing will maintain the value of existing assets by making them acceptable to potential occupiers; and that housing has a pivotal role in wider regeneration policies (Whitehead, 1998). In all three cases it is the interface between the housing itself and the neighbourhood that is now seen to be pivotal to success – both in terms of the nature of the appropriate policies and in the way in

which the housing system modifies the outcome of these policies.

According to its rhetoric, Government seeks to promote – equally and jointly – social, economic, environmental and physical improvements through its regeneration strategies. For example, the DETR states that the key objectives of the New Deal for Communities include:

- bringing together investment in buildings with investment in people;
- improving the job prospects of local people; and
- improving neighbourhood management and the delivery of local services.

But in practice there are often conflicts between social, economic, physical and environmental improvements. If an area is to be ‘upgraded’ does this refer to buildings, to people, or to both? For some critics, policies of deliberate gentrification – pioneered by the Conservative London boroughs of Wandsworth and Westminster in the 1980s, but now *de facto* encouraged by several New Labour authorities – amount to a form of ‘social cleansing’. If so, does this mean that for social justice reasons, regeneration policies should leave the pre-existing population entirely in place? This seems illogical as well as unrealistic. In the case study examined above, residents in Harlesden who benefited from City Challenge-funded job training and were then able both to improve their labour market position and to express their housing preference should surely be counted as a successful outcome of regeneration policy, not as a policy failure.

In this context it is important to recognise the nature of additionality. If these households are assisted by the policy but replaced by others in apparently similar circumstances, this raises two other issues – are the in-movers better off for living in the area – especially if there are signs of improvement, and are there additional, unmeasured, benefits or costs elsewhere in the areas from which these households came? To answer these questions the dynamics of both the housing system and of neighbourhoods need to be far more clearly understood.

Another aspect of additionality, or rather, in housing terms, the opposite, is that major regeneration schemes today normally lead to a *reduction* in the absolute and relative size of the social housing stock. This reduction arises for a variety of policies: to reduce densities or change the built form on large local authority estates; to promote home ownership or new forms of ownership of rented housing; to leverage private investment either through mixed funding of housing association develop-

ment or through the disposal of land and property directly to the private sector. Again to understand the full implications of regeneration it is necessary to analyse the dynamics of change.

Finally, an important emerging issue relates to the urban form and the morphological features of regenerated housing areas. There is an increasing emphasis on the physical as well as economic integration of disadvantaged areas with the rest of the city or town of which they are a part. Related to this, the 'urban renaissance' agenda, promoted vigorously by the Government's Urban Task Force (1999) stresses the importance of mixed uses, social heterogeneity and urban density as key factors in increasing both the competitiveness and the quality of life in urban areas.

Conclusions

The changing understanding of the nature of housing, as including the immediate neighbourhood as well as the physical fabric, resonates with the government's emphasis on area-based policies to reduce social exclusion and urban deprivation. However housing, in particular social housing, is seen as being a major source of the con-

centration of problems particularly through the administrative allocation processes in the social sector. Yet, it is equally the market and the opportunities available to those who gain from area-based policies which enable those who contribute towards the economic viability of the area to move out to better conditions.

In the shorter term, the success of policies in these areas should be measured both by the extent to which individuals are enabled to improve their circumstances, even if this means that they do so elsewhere, and by the acceptability of the areas to the households living there – even if those in the area appear not to have gained significantly. The longer-term objective must be to ensure that these areas are acceptable to a wider range of households living in all types of tenure, as this helps generate sustainability and equity – in that the poorest households are then living in similar circumstances to the mainstream population and the basic housing aim of a decent home for every family is achieved. But both administrative and market pressures make this an extraordinarily difficult objective to attain. Current policy and analysis has helped to clarify the nature of the problem – it has as yet little or no idea how to alleviate it effectively.

REFERENCES

- Association of London Government (1997), *A Socio-Economic Assessment of London*, London, ALG.
- Cheshire P., Flynn N. and Jones D.A. (1998), 'Harlesden City Challenge: final evaluation', London School of Economics.
- Crook A. Darke R. and Disson J. (1996), *Housing Association Investment on Local Authority Estates*, Joseph Rowntree Foundation Findings No. 199, York, Joseph Rowntree Foundation
- Department of Environment (1971), *Fair Deal for Housing, Cmnd 4728*, London, HMSO.
- (1977), *Housing Policy Review, Cmnd 6581*, London, HMSO.
- Department of Environment, Transport and the Regions (1998), *Housing and Regeneration*, London, DETR.
- (1999), *Annual Report 1999*, London, DETR.
- Kleinman, M.P. (1998a), 'Include me out? The new politics of place and poverty', LSE CASE paper No. 11, London School of Economics, Centre for the Analysis of Social Exclusion.
- (1998b), 'A Park Royal partnership and local employment', London School of Economics.
- (1999), 'There goes the neighbourhood? Area policies and social exclusion', *New Economy*, December.
- , Aulakh, S., Holmans, A., Morrison, N., Whitehead, C. and Woodrow, J. (1999), *No Excuse Not to Build*, London, Shelter.
- McGregor, A. and McMannachie, A. (1995), 'Social exclusion, urban regeneration and economic reintegration', *Urban Studies*, 32(10), pp. 1587–1600.
- Smith G.R. (1999), 'Area-based initiatives: the rationale and options for area targeting', LSE CASE paper No. 25, London School of Economics, Centre for the Analysis of Social Exclusion.
- Smith, L. and Whitehead, C.M.E. (1998), 'Evaluation of the Single Regeneration Budget Challenge Fund: key results from the residents baseline social survey', Discussion Paper no. 100, Department of Land Economy, Cambridge University.
- Social Exclusion Unit (1998), *Bringing Britain Together: A National Strategy for Neighbourhood Renewal*, Cm 4045.
- Turok, I. and Edge, N. (1999), *The Jobs Gap in Britain's Cities: Employment Loss and Labour Market Consequences*, York, The Policy Press.
- Turok, I. and Webster, D. (1998), 'The New Deal: jeopardised by the geography of unemployment', *Local Economy*, February, pp. 309–28.
- Urban Task Force (1999), *Towards an Urban Renaissance*, London, E & F.N. Spon.
- Whitehead, C.M.E. (1998), *The Benefits of Better Homes*, London, Shelter
- (1999), 'People, place or tenure: what determines attitudes', paper presented at the Homer Hoyt Institute, Florida, January.