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Briefing:

Re-imagining regeneration

Opportunities for housing associations as strategic partners

This is the third briefing in a series which examines the role of housing associations in regenerating neighbourhoods. The series aims to support housing associations working in areas needing regeneration in order that they might successfully engage with existing strategic structures and make the most effective impact. This paper is a commentary on existing structures which might offer opportunities for housing associations to work as strategic partners in delivering regeneration.

Revitalising and improving neighbourhoods has long been part of the remit of housing associations. Housing associations deliver neighbourhood solutions that are framed around the three key tenets; people, place and economy. For decades housing associations have been at the forefront of development that changes the physical makeup of a place and adds value to a neighbourhood by delivering social investment programmes. In short, they have been regenerating neighbourhoods. Housing associations are already effective strategic partners and expert delivery agents across a range of interventions. However, they can't do it all or alone.

Successful regeneration needs a whole place approach with coordinated strategic interventions that encourage partnerships between communities and regeneration agencies. The public, private and voluntary sectors all have a role to play in nurturing and developing these enabling and coordinating strategic structures, the supporting infrastructure and the delivery of

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solutions. In addition, there must also be economic strength to underpin regeneration activities. As local strategic partners, housing associations can provide the regeneration expertise and investment leverage to lead and add value to national and local interventions.

It is important to recognise that each locality and area typography needing intervention is different. However there are common characteristics which define these areas. All areas needing regeneration need a strategic approach to enable the coordination of infrastructure investment, economic growth, quality housing provision and promote improvements in education and health outcomes. This strategic approach must be implemented in conjunction with bespoke local offers that are developed and crafted around the local issues and opportunities facing each area.

These local offers must be effectively implemented by a coordinating body, whether that is the local authority, the Local Enterprise Partnership, or other strategic body.

1. Local Government

As the state retreats in many areas, the nature of the support it provides is changing. The relationship between local and central government and housing associations will need to be re-negotiated. This renegotiation offers potential to increase the opportunity for housing associations to deliver and diversify their activities to have a greater impact in their locality.

Local authorities still have a role in promoting a strategic approach to regeneration. Their local civic leadership remains important in identifying local needs and available funding streams.

However, rather than the central government interventionist approach of the past, local authorities now have a role in defining and facilitating a more locally appropriate approach, which is directly relevant to their locality. Local authorities are able to endorse and encourage a range of opportunities in areas needing regeneration. Some of the approaches, which have potential to have a more effective impact and can be effectively facilitated by local authorities are explored below.

Neighbourhood planning

Neighbourhood planning offers opportunities for communities to frame future development in their neighbourhood. Through this mechanism, housing associations can help communities shape their own vision for the future of their locality and following a referendum, consolidate this vision in a statutory plan. Many housing associations already have a long tradition of successful partnership working with communities to determine the future of local neighbourhoods. In areas which would benefit from a new vision for their future, local authorities could play a stronger role in the promotion and implementation of neighbourhood plans, as they offer positive opportunities for communities to be partners in

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delivering local solutions. Such an approach could facilitate a more integrated, resilient and sustainable approach which has greater local effectiveness by coordinating and delivering neighbourhood priorities. The potential is increased if the resultant statutory plan is integrated with devolved budgets and control in respect of setting local priorities.

Further exploration is needed into how the full range of community rights could be most effectively utilised in areas needing regeneration.

Community budgets

Community budgets also offer an opportunity to focus on tangible local needs rather than specific funding streams. The aim of community budgets is to make efficiency savings by pooling local budgets and streamlining service provision, but they also offer a potential to closely examine and shape the delivery of priorities relevant to neighbourhoods. Their focus on short term budgetary savings has perhaps neglected an examination of their full potential to coordinate and focus appropriate local services. The principles of the community budget approach could be particularly helpful in developing a place based approach to regeneration where services such as housing and health and social care, green space and town centre improvements and local infrastructure could be better integrated to meet the needs of the community and locality.

To have greater effect, however, community budgeting must take a genuinely multi-agency approach which involves housing associations, specialist service providers and the voluntary sector as well as larger and public sector partners. A multi stakeholder approach has the opportunity to share risk, develop financial innovations and utilise a flexible approach to procurement, commissioning and grant making and also consider the wider social impact of the activities in addition to cost savings. There is potential for community budgets to have a greater impact by reinvesting any budgetary savings into neighbourhoods in order to prioritise local interventions.

2. Community Land Trusts

As community-based organisations that are able to develop housing, workspaces, community facilities or other assets, CLTs are ideally placed to deliver community led solutions in neighbourhoods needing regeneration and support wider programmes. Some of the most successful CLTs have benefited from partnering with a housing association and can provide a complementary rather than alternative solution to the reinvigoration of an area. Housing associations are ideally placed to partner with emerging CLTs as they offer an opportunity to empower local communities, and ensure that they are part of the vision and solution for the local area. There are barriers however, to facilitating such a community led approach. Some communities may not have the capacity or appetite to embrace such an involvement in the development of their neighbourhood.

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3. Local Enterprise Partnerships

Local Enterprise Partnerships (LEPs) are tasked to grow the local economy and provide employment. Their focus on business development and local economic growth gives them significant potential to be effective structures in supporting areas needing regeneration. They are well placed to make the case for economic development and appropriate housing and neighbourhood investment solutions through their plans.

It is crucial that LEP's Strategic Economic Plans include recognition of the need for new housing in some areas, where this approach is appropriate and also the re-development of poor quality housing in others areas, to support economic growth. LEPs should recognise the full range and diversity of investment that housing associations provide in communities, in addition to building homes, which support the foundations for attracting and sustaining long term economic growth. For instance, the investment that housing associations provide in employment and skills programmes has a direct relevance to the agenda of LEPs.

Engagement between housing associations and LEPs is varied but across the country, housing associations are developing a strong collaborative relationship with many LEP boards. In some areas there have been notable successes, such as the awarding of £2.5m of funding from the Enterprise M3 LEP to aid the development of 600 homes by Sentinel, or the awarding of £1.5m by the Dorset LEP to fund a development of 11 family homes via a community land trust in Bournemouth. In a number of areas housing association chief executives are on the main board of LEPs. This has helped ensure those LEPs put housing at the heart of their strategies to stimulate local economies. However, to be more effective in areas needing regeneration LEPs need to widen their view of economic business growth to include interrelated socio-economic factors such as housing, health and education for instance. One way of realising this would be to widen the range of represented stakeholders on their boards in order to implement a whole place approach to development. Wider representation would also mean that that the partnerships could have more local distinction and focus on locally shaped positive outcomes. LEPs would also benefit from a focus on strategic outcomes such as improvements in health, education and poverty in areas needing regeneration.

The Single Local Growth Fund

The first wave of the Single Local Growth Fund, £6 billion, has been allocated to the 39 LEPs following the Government's assessment of their plans for growth. This includes the allocation of £2 billion from the Local Growth Fund for 2015 to 2016 and in some cases amounts for beyond 2016. However, settlements after 2015-16 are indicative and therefore subject to change. Some have a provision for housing explicit in the deal. Strategic Economic Plans from LEPs have formed the basis for negotiating devolved Growth Deals and any share of the Local Growth Fund.

In 2015-16, the funding has been drawn from a mix of local transport budgets, skills budgets and some New Homes Bonus money. These resources will be pooled to support housing,

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transport and skills which are all core factors in improving areas needing regeneration. LEPs plans for growth should outline the goals for housing and thus provide a useful starting point for housing associations' discussions on delivery. However, housing associations should also engage and explore with LEPs how they can work in partnership to use the fund more flexibly for maximum economic growth, job creation and skills development and thus best deliver appropriate neighborhood regeneration solutions.

4. Combined authorities

Combined Authorities bring together key decision making powers of local authorities with coterminous borders into a single body. The advantage of this structure is that it provides a single body that is responsible for strategic planning, across several local authorities, with functional powers and the ability to hold funding.

The Greater Manchester Combined Authority was the first combined authority to be set up in 2011. The authority was based on an already existing structure of strong relationships between the ten constituent councils across the Greater Manchester area. More areas have recently followed with Sheffield City Region, West Yorkshire and Liverpool City Region being established in April 2014. In each case the decision to create a combined authority came from the Local Enterprise Partnership. In this way the authority is able to focus a range of agencies in these localities such as those delivering health, education and employment strategies. With their expertise in place based neighbourhood solutions, housing associations can engage as lead partners and regeneration brokers to local co-ordinating and strategic structures such as LEPS and City deals, in order to positively influence funding and represent the socio-economic and housing aspects of economic growth.

5. City Deals

Similarly to LEPs, City Deals give England's cities greater powers to make decisions about their areas with the aim of encouraging economic growth. There are two waves of City Deals, the first for the eight largest cities outside London, the Core Cities, and the second for a further 20. The second wave was made to both cities and the connected LEPs. The Government is keen to promote cross boundary cooperation by setting a requirement for governance over a functional economic area. Each deal is "tailor-made" to a city and consequently no two are the same. The individual and flexible nature of these structures offers the potential to consider the strategic needs of localities in a distinct way. For instance employment and skills or other outcomes based initiatives can be aligned with place-based schemes, which then have the potential to deliver integrated regeneration across the cities.

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6. National Policy

There has been no national coordinated regeneration policy since 2010. Responsibility for economic growth has been devolved to LEPs, City Deals and local authorities but arguably, without a complementing central leadership or commitment to provide the coordination or long term vision for areas needing regeneration. We are however seeing the tentative emergence of some new policies relevant to these areas.

Following a commitment in the 2013 budget, the Government has announced a £150 million fund to kick-start and accelerate the regeneration of housing estates through fully recoverable loans. Although the fund is focused on increasing the supply of homes, there are opportunities within this to also better shape the development of neighbourhoods.

There are currently 24 Enterprise Zones across England that support both new and expanding businesses by offering tax incentives and some planning freedoms. Enterprise Zones have been awarded to, and are being driven by, Local Enterprise Partnerships and are a positive direction towards a place based policy.

Using a similar strategy, Housing Zones create a number of incentives to drive housing delivery in an identified locality. Housing zones are a recently launched approach being used by the Government, to get new homes built quickly. Local authorities are able to identify and package together brownfield land which could be used for development into a housing zone, remove all unnecessary planning restrictions across it and partner with a developer to build new homes. Central government supports these housing zones by making loans available to local authorities for the requisite infrastructure and other remedial work on the site.

7. Conclusion

There are a range of structures operating to deliver funding and strategic solutions in areas needing regeneration. Housing associations that are looking to engage in regeneration in their locality have a range of opportunities dependent on the local structures available and the extent that they are implemented. However there are avenues to explore in all areas and many where current structures could be more creatively or extensively used, such as community budgets or neighbourhood planning.

Local Enterprise Partnerships and Enterprise Zones have a role in ensuring that their remits consider a wide range of opportunities and innovation within their locality that can positively shape areas needing job creating, economic growth and regeneration. Local Enterprise Partnerships are tasked to grow the local economy and provide employment. Therefore it is vital for housing associations to be able to articulate their economic impact within the LEP area and their contribution to local employment. More guidance about how to engage successfully with LEPs can be found on our website <http://s3-eu-west->

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A further briefing in this series will explore the range of funding opportunities for members operating in areas needing regeneration.

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