

Residualisation, Polarisation and Housing

Introduction

This paper is concerned with applying the theories of residualisation and polarisation to three case studies in the UK. It suggests a balance sheet might be appropriate to evaluate the effects of these strong social forces on particular communities.

The first question posed, 'Who is social housing for?' is answered by two alternative models: for the poorest in society or for 'balanced' communities (based on equal numbers of renters and owners). Social housing based on the former response or "need" has a fundamental weakness. When dominated by disadvantaged tenants, social housing creates communities which are 'unbalanced' with respect to demographic and socio-economic factors.

Residualisation and polarisation result from long term social and economic trends and present a major challenge for social housing agencies. Local authority estates, built post war had show the symptoms of decline. Various initiatives such as PEP and Estate Action are advocated to reverse the spiral of decline. Housing association estates are also problematic, especially if social facilities had not been built in such as St Mellons and Trowbridge. The researcher, Page (1993,1994) said that the answer was housing plus or value added activities. The three case studies indicate the limiting effects of PEP and the advantages of a multi agency approach.

The integration of housing and community led initiatives is the solution advocated from practice to the Residualisation and Polarisation process. Social landlords have a responsibility to prevent social problems emerging on new estates. Galvanising local residents in meeting their own needs is a process shared by successful initiatives.

However the skill deficiencies of tenants in social housing require action in employment and training schemes. The test of time has not yet been applied to the new initiatives; it might not be appropriate or effective for housing agencies to take on such difficult tasks. After all, housing agencies are specialists in providing and managing housing. So there is no consensus about whether social housing agencies alone can reverse Residualisation and Polarisation.

Background

The UK government has tried several policies to diversity local authority tenure, such as large scale voluntary transfer and Housing Action Trust designation. New agencies have been generated by authorities themselves to decentralise the management of the stock, such as Estate Management Boards and independent organisations have been set up to manage the stock, sometimes aided by authorities such as Tenant Management Co-operatives. The discussion here adds considerably to ideas about tenure diversification through a consideration of theoretical debates about residualised estates.

The central question starting this debate is : who is social housing for? Responses consider whether it is for the poorest in society or for people in a wider income range.

Some agencies, such as Bournville Village Trust have argued that the fundamental aim of their rehousing policy was to create balanced communities with equal members of residents renting and owning. English, Scottish and Welsh local authorities have wide discretion in re-housing, but the shortage of available accommodation together with relentless pressure from the statutory homeless limit re-housing to those in acute housing need. Local authorities therefore rehouse the most disadvantaged.

Since large developing associations rely on local authority nominations and have housing need criteria to satisfy, they are also rehousing mainly the same client groups as local authorities.

Debate

There are separate debates in fields of social policy, economics and sociology on residualisation; here the emphasis is on the changing role of legal tenures and the people who are affected by long term policy shifts.

The debate involves the examination of historical roles of tenures and analysing long term trends in the share of housing tenure directed to low and middle income groups. The parallel concepts of Residualisation and Polarisation are intended to explain the social processes behind changes in tenure.

Residualisation/Polarisation Theory

Defining residualisation

Residualisation is the perceived shift in the role of council housing from general provision (for the working class) to that of a 'safety net' for people who cannot access the private housing market (Forrest and Murie, 1991).

Residualisation is a process applying to a tenure, so council housing, housing association accommodation or private rented housing may be considered to be residualised if these are subject to changes in perception. It is bound up with the status of the tenure which varies over time. Tenure status is subject to Government influence through legislation and policy direction.

In 1919-22 for instance, houses for rent were provided first by local authorities by subsidy from Government. The quality of new houses was higher than typical housing for owner occupation and occupied by skilled manual workers and the lower middle class (Burnett 1985). After the Addison Act 'open' subsidy was replaced by a subsidy per unit provided, space standards declined and council housing was possible for a lower income range. In the 1930s, new council housing was provided to assist slum clearance and the main beneficiaries were low income households (Burnett, 1985).

Legislation has promoted new building or renovation and change in both the quantity and quality of housing provided by social and private sector agencies.

It could be argued that between the two World Wars, the private rented sector was under the process of residualisation; increasingly associated with the poor, declining in absolute and relative size and increasingly unfit.

Malpass and Murie (1982) stated that residualisation involved both lowering the status and increasing the stigma attached to public housing. A variety of measures, economic, institutional, fiscal and operational rules including subsidy calculations were involved. Their suggestion was that public housing in Britain would occupy a future position in society similar to the highly stigmatised public housing in the USA today.

Writers on housing policy stress that residualisation occurred over a long term and can be traced to decisions taken by successive post war governments. Post war policies leading to a

decline in the private rented sector and a financial environment conducive to owner occupation were as important as direct changes in council housing.

Residualisation then reflects the physical decline in the quality and quantity of the local authority stock and the decline in the financial circumstances of tenants. This decline is 'relative and perceived'. There are multi-faceted reasons behind this process, but government policy over a long term remains an important element in this shift.

| England | Council | owners | private sector |
|---------|---------|--------|----------------|
| 1914-38 | 11 | 22 | -32 |
| 1938-51 | 7 | -3 | -4 |
| 1951-71 | 10 | 24 | -34 |
| 1971-91 | -7 | 16 | -11 |

Note: Minus sign indicates a reduction in the share occurred between the two dates

Source: English House Condition Survey 1991 (EHCS)

Table 1. % increase in the share of council, owner occupation, private rented sector 1941-1991

The Private sector had the largest percentage decline in all periods. The Council sector has declined between 1971-91 but grew in all other periods after 1914. Owner Occupation increased in all periods except 1938-51.

The private sector became residualised after 1914. Council Sector became residualised after 1971. Owner occupation does not appear to have become residual, although a small decline occurred during World War Two to losses from bomb damage.

Right to buy and residualisation of council housing

The trend towards a residualised council sector was well established in the seventies, (Bentham 1986). In the eighties the trend continued. How far was this a result of the right to buy policy?

Malpass and Murie (1988) cautioned the use of the over-simplistic model that right to buy policies cause residualisation. There is a case for arguing that right to buy has encouraged communities to stay together and discouraged rehousing from specific estates. More important, however, is considering housing disadvantage compared with income status. Social inequality, they suggested was at the heart of the residualisation process. The term has connotations about people's wider experiences not just their housing life changes.

Certainly for many poorer council and private sector tenants, wider government policies and the successive effects of economic recessions have had a deteriorating effect on their income and quality of life relative to the rest of society over many years.

In addition, these two authors do not accept that the council tenure creates residualised populations. Instead, their theory sets the debate in a context of the marginality of low income groups which produces the conditions for residualisation across all tenures.

Is the residualisation thesis generally accepted by housing researchers? The answer is that the term is subject to considerable debate.

Other authorities have criticised residualisation as being too imprecise and incapable of empirical measurement (Clapham and Maclennan, 1983). In addition, the effects of the distribution of right to buy need careful estimation as there is evidence that it has retained a community at estate level. The possible long term benefits of council tenure stability to low income groups, enabling prosperity with families growth is certainly not thoroughly researched.

Defining polarisation

Polarisation is a process involving the systematic segregation of households into distinct social groups. Polarised groups are incompatible and develop a 'them and us' syndrome. Changes in the housing system are key in the creation of separate richer and poorer communities.

Wilmott and Murie (1988) argued this process of polarisation-parallel with residualisation - operated in two senses:

1. Polarisation between tenures where households moved from one tenure to another;
2. Polarisation within tenures where households stayed within a disadvantaged tenure but moved to the most unpopular area or estate.

For instance, Clapham and Kintrea (1986) found that low income groups were represented disproportionately on the most unpopular outer estates in Glasgow as a result of allocation policies. Other writers have looked at how marginal owner occupiers have limited choices in inner city areas because their incomes were just sufficient to repay a mortgage but not sustainable in the long run. Previously in this Block, the work of Karn and Henderson has been mentioned as giving strong evidence to link housing allocation with racial segregation in the council sector. The Karn/Henderson theory identified the role of housing allocation and social assumptions about housing clients.

Residualisation in the 1980s

The policies of the Conservative administrations after 1979 are well covered in the literature (Malpass, 1990); curbing direct subsidies of local authorities and restricting new build through rigid expenditure controls. Over the period from 1980/81 to 1991/92, total housing public expenditure in real terms was reduced by over 60%. Receipts for sales of property and land enabled a significant saving to be made on the whole public expenditure programme. Rules for re-investing the proceeds of sales did not permit full reinvestment into new housing and loss of re-lettable stock was a direct consequence of financial constraint (Hills, 1991). The favourable treatment of the tax relief on mortgage interest during the 1980's operated in marked contrast with the harsher Housing Benefit regime.

Malpass claimed that reshaping of the housing system was successfully engineered after 1979 on explicit ideological grounds. The Conservatives generated a bigger property owning democracy by championing owner occupation.

However, it is difficult to disentangle general policies on restructuring the welfare state, the economic system and the housing system. Housing took the brunt of changes in social policy but other services also were re-shaped during the 1980s.

A key idea is how the public sector is perceived by the general public given the influence of government housing and economic policy. Residualisation may reflect the relative powerlessness of public tenants faced with strong centralised forces changing the nature of the tenure.

Bentham argued in his paper there were two main types of influence underlying residualisation and polarisation. These were referred to as:

1. Economic restructuring, which included both labour market and welfare benefits entitlement changes and
2. "Selectivity" or discrimination in the ways and means that households access tenures.

The decline in the private rented sector is believed to have redistributed richer and poorer households into owner occupation and council housing respectively. The sale of council houses also follows this logic, so that tenants in the higher income ranges generally in higher quality accommodation are able to exercise this right. Tenants on benefit are effectively excluded from right to buy. In addition, the decline in the number of new council houses being provided during the 1980s resulted in limitations in rehousing opportunities for those on lower incomes. In general, the whole movement towards targeting provision to those in greatest need directly residualised the public sector at a time of acute scarcity.

Findings from the priority estate project on residualisation and polarisation

In the most recent project evaluation, a team lead by Anne Power selected 20 difficult to let "PEP" estates ranging from concrete complexes to houses with gardens. The main findings were:

- "the percentage of lone parent families increased from 9 per cent (1981) to 18 per cent (1991);
- the percentage of minority ethnic population increased from 19 per cent (1981) to 26 per cent (1991);
- the unemployed rate was 34 per cent on the estates compared to 13 per cent in the surrounding local authorities;
- although the proportion of children (31 per cent) had not changed since 1981, there were 50 per cent more children on the estate than in the surrounding local authority area."

The study found that residents were still concerned at crime and anti-social behaviour, including personal consequences in care in the community policy (Power A and Tunstall R 1995). The concepts on residualisation and polarisation therefore have been applied at the level of a housing estate. We now talk about residualised or polarised housing estate with the above social characteristics.

Residualisation and housing associations

Tenants of housing associations in the UK have a similar income profile to local authority tenants; their income pattern reflects the focus of activity in development of associations for special and general needs. However, association property is generally post 1970 new build (apart from rehabilitated stock). The stock is dispersed in small estates; there is little large scale development of inner city or peripheral estates as with the local authority stock.

The apparent success of associations was dependant on a small scale diversity of operation together with a voluntary and community ethic and backed up by a firm capital subsidy system, HAG. Both 'small is beautiful' orientation and finance were subject to a major change in the new government philosophy, introduced in the 1988 Housing Act.

1988 was argueably the crucial year for associations in tenure and funding matters including the supplementing of HAG central grant from the Housing Corporation with private finance were provided. In summary, associations were shifted more towards a private model of provision (the independent rented sector by UK government terminology in the 1987 White Paper). Some writers have suggested they had been successfully privatised without political fallout (Randolph B 1991). Certainly there has been a cultural change in the large developing associations since the mid 1980s towards delivering services part funded through private finance.

One outcome of this process has been the provision of larger estates using two new methods of procurements, off the peg acquisitions from private developers and design and build. Design and build, where the development risk of over-expenditure is taken by a

developer (as opposed to conventional contracts where the risk is left with the association) is now the chief method used to build new estates.

There is evidence that space standard on new estates built by associations have declined between 1988/89 and 1991/92 (NFHA 1994). Randolph (1991) suggests the motivation was the need for associations to reduce capital costs in new schemes as a response to the introduction of private finance. Gradually associations are having to fund an increasing proportion of the programme with private finance. This pushes up rent levels, The Government has reduced the HAG Grant Rate from 75 per cent (in 88/89) to 72 per cent (92/93) to 67 per cent (93/94) and to 62 per cent (94/95).

The work of Page (1993, 94) pointed to some of the accumulated problems in housing association development and policy. It became quite possible for large, lower standard estates to be built and coupled with the rehousing of benefit dependent populations to produce residualisation.

It is a most serious issue for the housing association movement. The financial framework within which they now operate creates a dilemma. They could build housing for rent at high rent levels as policy dictates. They could go 'up market' and build for people on high incomes or focus on low cost owner occupation. However, in doing so, they abandon their traditional client groups and become effectively market orientated.

CASE STUDIES IN THE UK

1. Welsh case study

Penrhys Estate, Rhondda, West Glamorgan

Penrhys Estate was built in the late 1960's by Rhondda BC to an innovative design including mono-pitched roofs on a high location above the two main Rhondda Valleys. It consisted of just under 1000 low rise houses and flats, using non tradition 'no fines' construction.

About 75 per cent of households in the area are owner occupiers; there is a low demand for council housing with a waiting list of 500 households and a total stock of 4,000 properties.

This physical isolation was exaggerated by a lack of local management and the perception of the estate as occupied by unemployed and benefit dependent households. The Rhondda Valley was subject to major unemployment following the reduction in coal mining and recession in the early 80's. Penrhys was considered to be the worst estate in Wales in the mid 1980's; a poor repairs service and high rent arrears were key factors.

Penrhys has been unpopular and therefore subject to a high turnover of residents (25 per 1,000 tenants per month; the highest in Wales). Many young families consisted the new residents so a high percentage of households were under 35 with young children. There was a correspondingly low percentage of elderly.

The age profile of tenants was considered unbalanced when compared with the average for Wales (PEP 1991).

A Priority Estate Project was established in 1984 bringing together residents and the council in a local management initiative. PEP was based on a partnership between tenants, the council and the DoE to overcome problems of: security and crime; voids and repairs. A local office was established with a focus on improving the repairs service and better caretaking to remove unsightly rubbish on the estate.

In 1989 a Department of the Environment promotional video described Penrhys as the most successful PEP estate in Wales. A PEP 1989 evaluation described the estate as

continuing to have a serious problem. Rent arrears for instance were the highest for any PEP in Wales (PEP, 1991).

In 1995 however the problems have not been solved as the estate is still unpopular and a focus on repairs only has not resulted in a long run process.

Evaluation of Penrhys in 1995

Mr Terry Winter, Housing Manager for Rhondda BC stated that initiatives for the estate since 1988 were as follows:

1. All 900 plus houses and flats improved including double glazing and external thermal insulation to reverse fuel poverty at a total capital cost of £17 million.
2. Twenty maisonette blocks and over 50 houses demolished.
3. Three maisonette blocks 'given away' for extensive community facilities and to attract additional resources producing two new churches, community halls, tenants hall, a 'care complex' for supporting families and an Arts/Employment Centre.

The schemes attracted substantial additional capital resources to Penrhys.

The housing manager noted that depopulation was a continuing problem in the whole of the Welsh Valleys and that on Penrhys Estate 75% of tenants were single people of households headed by a single parent. Only 2 houses were bought under RTB so the estate was still 99% local authority owned.

The many PEP plus other initiatives had not really created a fundamental change. There were fewer voids - but still at 10% were significant. Crime was a problem especially related to unoccupied houses.

The local authority perception of the estate was that it was still difficult to let. Tenants preferred to move to other areas as there was no shortage of rented houses. Within Rhondda over 70% of households were owner occupied but owner occupation was not an option for people on benefit.

Terry Winter stated it was critical that the employment problems in the area had not been addressed by the regeneration proposals.

In addition nothing had been done to change ownership. Issues about dealing with the tenure or social balance of an estate are to be addressed in this section.

The local politics in South Wales is likely to deter proposals to diversify tenure. There are basically two approaches. One approach involves social engineering to mix people in work with those not in work to create a balanced community. Alternatively community led support is developed to enable disadvantaged groups to compete in employment markets. It is the latter policy in operation at Penrhys.

Employment Problems of Rhondda Area

The economic and social effects of a declining unemployment in the former coalfields of South Wales, including loss of population were key issues. Any proposal to effect a reversal of the downward spiral of estate decline required an employment led component.

PEP by its nature cannot reverse such deep rooted social changes. There is a doubt as to how far PEP can really turn around a disadvantaged community with the wider problems and the physically stark location such as Penrhys.

2. Scottish case study

Forgewood Estate, Motherwell, Strathclyde

Motherwell Housing

Scotland's fourth largest public sector landlord and second only to Glasgow in the Strathclyde Region, Motherwell District Council owns and manages over 31, 000 properties, reduced significantly over recent years from 84% in 1975 to 58% in 1994 and this is mainly attributable to the number of properties sold under the 'Right to Buy'.

In 1994, the district tenure profile was as follows:

| | |
|------------------|-------|
| District Council | 58 % |
| Owner occupied | 37 % |
| Scottish Homes | 3 % |
| Private Rented | 2 % |
| Total | 100 % |

Motherwell Housing was decentralised in 1987 with a view to providing a service which is more responsive to local needs. Area housing offices have been established in Shotts, Bellshill, Viewpark, Motherwell, Wishaw and Forgewood where a full range of services including allocations, repairs and maintenance, rent accounting, housing benefit administration and estate management are delivered through the one door approach.

In 1988 Motherwell District Council owned and managed the 1100 walk-up flats within the estate. The stock was built in the early 1950's and as a result of design and fabric failure was in a poor state of repair and presented a bleak and undesirable environment.

The Forgewood Initiative

Launched in 1988, the Forgewood Initiative is a multi-agency partnership combining the resources and skills of the Forgewood Residents, Motherwell District Council, Scottish Homes, Lanarkshire Development Agency, Motherwell Enterprise Trust, Strathclyde Regional Council and the private sector.

The fundamental objective of the Initiative is to arrest and reverse the cycle of economic and social decline manifested in the Forgewood area by a poor physical environment, high unemployment and a negative image. This is to be achieved by adopting an interagency strategy and tackling the issues holistically. Each agency identified and implemented strategies to tackle the issues pertinent to their specific agenda, working within a management and consultation framework which ensures goals were jointly held and complementary.

Review of Progress

Motherwell Housing's specific objectives were:

- to invest £1m per annum over 6 years in a programme to upgrade the housing stock.
- to encourage resident participation in housing development and management plans.
- to establish a Neighbourhood Housing Office and improve housing management service delivery.
- to attract private and independent housing investors to the area, diversify tenure and widen the choice of housing type and apartment size.
- to ensure the economic base of the community was improved by increasing benefit take-up and creating employment and training opportunities.

The District Council has invested £6.2m in the upgrading programme. 298 houses are modernised and the remaining 114 flats are programmed for completion in 1996 at a further investment level of £2.2m.

The District Council established a Residents Forum to monitor all aspects of the Initiative and a Housing Management Group with a specific remit for housing. A Community Ownership Scheme was initiated which owns and manages 222 houses. Residents are involved at all levels of the decision-making structure.

A neighbourhood housing office was established in 1988 on a 'one door' principle creating an accommodation resource for all partners and residents groups. Void and arrears levels have reduced dramatically and response times for repairs and other complaints markedly improved.

The housing strategy created opportunities for redevelopment and the tenure base of the estate has altered radically - the District Council now owns 38% of the stock, 27% is owner occupied and 35% is housing association and co-operative stock. The stock base is extended to include low rise housing for families and specialist housing for the elderly. Scottish Homes funding has facilitated this investment of over £2m to date and £11.6m committed to 1997. Substantial private sector investment has also been channelled into the area. Training and employment opportunities were pursued successfully with contractors employed by the District Council or Capital Works. Housing Benefit take-up has risen from 56% to 80%.

The Council consider the Forgewood Estate a success in housing terms. The catalyst for change has been the joint investment package which allowed a new physical environment to emerge and the partnership forged with residents and other agencies.

Further work is required to build on this new foundation to ensure that the community continue to work together and revised agenda are prepared, amongst other issues, for estate management and integrating youth issues into the community structure to ensure that Forgewood residents enjoy a safe and secure future.

3. English case study

Waterloo Housing Association

This information is supplied with permission and assistance of Waterloo Housing Association.

Introduction to Waterloo Housing Association

Waterloo is a non-charitable Housing Association founded in the early 1970s and based in the middle of England. It has approximately 2,000 units; 535 are in shared ownership and 1,465 are rented. The rented stock provides predominantly for general needs and the elderly. The stock is of traditional construction of reasonable quality and low rise. However, the right to Buy legislation has effected the type of stock owned by the Association. Since 1980, 150 dwellings have been bought by Secure tenants, which represents 10 per cent of the total stock. The majority of dwellings sold have been three bedroomed houses (47%) which has limited the opportunities of flat dwellers to transfer to a house. The majority of the stock is scattered in small pockets but the Association does have one estate. The estate was built between the late 1970s and early 1980s and is a mixture of owner occupied shared ownership and rented properties. There are 450 rented units providing a mix of elderly persons, single persons and family accommodation. The 48 shared ownership properties are family dwellings.

The estate tenant incentive scheme and right to buy

Of the 150 dwellings sold by Waterloo under the Right to Buy, 78 (52%) are on the Estate. The three bedroomed houses have been the most popular purchase making up 62% of all sold dwellings on the estate. As a result, few houses come up for relet on the estate and therefore there are few opportunities for the tenants of the two bedroomed flats to transfer to a house. Many of the flat tenants have two or more children and are therefore overcrowded.

On Waterloo's Estate, the Tenants Incentive Scheme has been particularly popular, with four tenants taking advantage in the last nine months. Of these, three have been flat tenants and the scheme has enabled them to buy houses, something which would probably have not been available to them had they stayed tenants. These tenants have been replaced by homeless families who have a greater tenancy to be disadvantaged and reliant on benefits.

Rent charges 1989-94

At Waterloo Housing Association, both Secure and Assured rents have increased in the years from 1989. The table below shows how the rent on two bedroomed flats on the Estate have increased.

It can be seen that between 1989 and 1994 the gap narrowed between secure rents and assured rents. Secure rents increased by 84% from £23.88 to £43.85 while Assured rents increased by 47% from £30.58 to £45.00.

It should be noted that, between 1991 and 1993 the Association accommodated mostly households where the head was unemployed or retired.

| | Secure Rent | (£ per week) | Assured Rent |
|------|-------------|--------------|---------------------------|
| | | (£ per week) | Secured as a % of Assured |
| 1989 | 23.88 | 30.58 | 78% |
| 1990 | 23.19 | 33.92 | 68% |
| 1991 | 29.19 | 37.38 | 78% |
| 1992 | 37.27 | 39.92 | 93% |
| 1993 | 37.27 | 41.08 | 91% |

Source: Waterloo Housing Association

Table 2. Rents Charged on a Two Bedroomed Flat on the Estate 1989-1994.

Housing benefit

Of Waterloo's 1,465 tenants, 895 (61%) receive housing benefit to cover their rent in full. On the Estate, of the 448 tenants, 202 (45%) receive housing benefit to cover their rent in full.

Client group

In 1994 there were 370 lettings at Waterloo of which 78 (21%) were allocated to the homeless. Twenty one per cent of all housing associations lettings in 1992/93 were allocated to the statutory homeless. (The data was provided by The Housing Corporation's annual statistical survey for 1993 with additional data provided by Waterloo Housing Association). Just under one quarter of lettings made in 1992/1993 were to single adults while another 42% went to families with dependent children. Lone parents with dependent children make up 6% of all households in Great Britain. 58% of these live in the social rented sector, 6% live in the private rented sector and a relatively small 36% are owner occupiers.

Allocations, Waterloo Housing Association

From Table 3 it can be seen that there is a large variation in the types of household housed by Waterloo from year to year, with the exception of couples. This can be explained by the type of new build being carried out in a particular year. For instance, in 1991 and 1992 a large number of elderly persons units were constructed while by 1993 the emphasis had turned to family housing. Nevertheless, it can be seen that the Association consistently houses a large proportion of households perceived as 'disadvantaged' ie., the elderly and single parents.

| | 1991 | 1992 | 1993 |
|---------------------------|------|------|------|
| Non elderly Single Person | 21 | 9 | 12 |
| Single Parent Family | 20 | 16 | 32 |
| Couple Family | 4 | 4 | 4 |
| Two Parent Family | 15 | 16 | 31 |
| Elderly | 40 | 55 | 21 |

Source: Waterloo Housing Association

Table 3 - Household Composition of All Lettings (%).

Local authority nominations were the main route to a housing association tenants (45%) while 27% of new tenants applied direct to the Association's waiting list (Housing Corporation 1994).

Within Waterloo's stock local authority nominations were the main route to a tenancy. In 1994, 62% of all lettings went to nominations while direct applications accounted for just 16% of lettings in the same period.

| | 1993 | 1994 |
|----------------------------|------|------|
| Direct Application to WL | 42 | 43 |
| Local Authority Nomination | 28 | 15 |
| Mutual Exchange | 25 | 24 |
| Transfer | 5 | 7 |
| HOME Nomination | 0 | 7 |
| Referral | 0 | 4 |

Source: Waterloo Housing Association

Table 4 - Route to a Tenancy on the Estate (%).

Allocations to the estate are predominantly Direct Applications rather than nomination as Waterloo's lettings as a whole. The reason for this is that the majority of the vacancies on the estate are elderly persons and single persons units for which the local council has difficulty providing nominations.

Amenities

The Estate has not seen a decline in public and private services, although shopping facilities are limited. The estate is well provided for regarding education and health facilities and public transport.

| FACTOR | TENDING TO INCREASE RESIDUALISATION | TENDING TO DECREASE RESIDUALISATION |
|--------------------------|---|--|
| Tenure Diversity | | |
| Tenants Incentive Scheme | Likely to increase residualisation as tenants on a moderate income will be replaced by the homeless on low low income | |
| Shared Ownership (S.O) | May produce residualisation within the estate if design of SO units creates an enclave | Will extend the income range of residents |
| Right to Buy | A high level of RTB can limit rehousing of council tenants especially in the high quality relet categories. | Established residents may opt from RTB but stay on the estate rather than sell and move off. |

Table 5. Residualisation balance sheet - example.

| FACTOR | TENDING TO INCREASE RESIDUALISATION | TENDING TO DECREASE RESIDUALISATION |
|--|-------------------------------------|-------------------------------------|
| LA Nominations High Priority | Yes | No |
| High child population | Yes | No |
| Few house types | Yes | No |
| Wide income ranges | No | Yes |
| Housing Benefit dependency | Yes | No |
| Rent Charges: Secure rents /assured rents in equal ratio | Yes | No |
| High unemployment | Yes | No |

Table 6. Waterloo Estate - Balance Sheet.

Community participation initiatives

David Page's Research

David Page summarised his two reports in a Voluntary Housing Article (Dec/Jan 1994/95). 'Building for Communities' in 1993 suggested that housing associations had ignored the wider needs of new communities when developing large estates under the new financial regime. These larger estates were falling into similar difficulties as estates built by local authorities 20 to 30 years earlier. New estates by associations were characterised by benefit dependent populations and high child densities without a social support infrastructure to avert a weakening of the social fabric. The new estates would soon become run down.

At the 4,000 home St Mellons and Trowbridge Estate in Cardiff for example, problems of crime, depression, unemployment and a lack of facilities became apparent. A major revitalisation project has been initiated by the city council with a number of partners to curtail these problems (see Typical Initiatives of Community Participation for details).

The second Page report (1994) provided a framework for resolving some of the difficulties and residents participation are suggested as legitimate areas of housing association activity to halt the decline of new housing schemes.

Page emphasised the cost of not developing communities in the form of resource intensive projects such as PEP or Estate Action. According to his report:

'housing associations can't build communities but they can put in place a framework on which the community can grow'.

Added Value Housing Schemes

However a focal point on these approaches has been the production of genuine partnerships between key stakeholders in generating added value to housing schemes.

There is a potential to build local networks covering a diverse range of social needs: setting up credit unions, organising child care provision, neighbour help for elderly and environmental schemes (wildlife areas, traffic and cleansing).

The Government have devised the City Challenge and Regeneration Budget for partnership wide bids by local authorities to reverse economic and social decline, but the resources available are cash limited and are far outstripped by local authority partnership bids. Page argues for additional resources to be provided to help stimulate some of these imaginative responses to residualisation.

Typical Initiatives of Community Participation

1. Community Ownership

Scottish Homes (1991) investigated community ownership. This occurs when ownership is transferred from a local authority to a co-operative. Recall that there are two main types of co-operative in Britain; part value non-mutual based on a nominal shareholding only without a financial 'stake' and par-value fully where each co-operator has a stake in the equity.

These two types of co-operative give access to different sources of capital funds. The former, par value non mutual are classed as non equity co-operatives and can bid for HAG while the latter can receive Improvement Grants from the council.

The study indicated that both types can be used as springboards for community development work. Community ownership should be integrated with urban regeneration.

In a later report (1992) Scottish Homes reviewed four cases of regeneration in areas of high unemployment. Community based housing associations were considered to be the most robust model for participation. Community businesses in contrast had difficulties in surviving economic change. Key issues identified were training and negotiating skills for volunteers in community organisations.

2. People for Action (PFA)

In 1990 Shape HA (now part of Focus) and South London Family HA created PFA as an initiative to create employment and training opportunities. A variety of initiatives have been developed involving local people in construction training and training local firms in the tendering process. Fourteen housing associations became involved in these initiatives in England and Wales.

3. Waltham Forest HAT

This East London HAT set up a careers and placement project for over 1100 people (one third from the four estates consisting of the HAT). This initiative involved a partnership between the residents group, the HAT board, the local careers service, the job centre and Bovis the main contractor for the new housing. Other projects include 12,000 square feet of community facilities created from a derelict car park.

4. St Mellons and Trowbridge Estates, Cardiff

St Mellons is an area of new housing and lies 4 miles east of the Cardiff City Centre. There were 3,700 homes on the estates; 1620 were council or housing association and 2080 were owner occupied. The total population was 9465 in 1991. Due to the rehousing of disadvantaged families in council and housing association accommodation, there is a potential for polarisation on this estate.

A three year strategy was initiated by Cardiff in 1994. City Council with residents, the health authority, the police and a number of voluntary agencies including Save the Children. The strategy document stated that in 1992 male unemployed was 45% higher on these estate than Cardiff as a whole. Female unemployment rates were high at 24% above Cardiff. This has led to reductions in crime, new facilities including a shopping centre, small shops and a GP surgery. A new primary school and family centre have opened in 1995 at St Mellons.

5. Royds Community Association Bradford

Three run down estates have been earmarked for a Single Regeneration Budget face-lift. Included is funding to establish homework clubs and reading recovery schemes. These will employ residents as classroom assistants with undergraduates supervised by local schoolteachers. This project aims to enable school children to do homework and catch up on reading in a quiet environment under trained supervision.

Evaluation of Community Participation

There are many community-based initiatives devised to arrest urban decline. However, research into urban regeneration in England suggest a modest outcome in terms of direct training and employment benefit. It is a lot to expect of housing policy to solve the problem of unemployment. There are deep-rooted skills shortages within labour markets which have little to do with housing. It must be recognised that there are other ways of tackling employment and training.

For instance, the Training and Enterprise Council (TECS) are funded by the Government and under the control of the new Department of Education and Employment in England. A

pilot project was established in 1995 among 7 TECS focusing on 7 per cent of 16 and 17 year olds who share training with the following objectives.

- Birmingham - for 16 year olds excluded from mainstream education
- Manchester - offering a mentor, support and guidance
- Walsall - work experience for 15 and 16 year olds
- West London - to tackle poor literary a numeracy and to give young people a 'leg-up' the job market
- The Wirral - analyse hidden unemployment among 16-18 year olds who fall through the training net.

These targeted measures may be more effective across a range of people rather than across a specific geographical location or tenure. It is therefore an open question of how far problems about employment and training may be solved through community participation brought about by housing tenure identification.

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