

Health, Housing and Jobs

Back to Basics Could Take The Valleys Forward

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When the history of the world's growth regions comes to be written the chapter on the Welsh Valleys will be notable for its brevity. Compressed as it was between the tail end of the nineteenth century and the beginning of the twentieth, the Valleys' economic ascendancy was like a shooting star, bright but brief, leaving a legacy of social depression and environmental degradation in its wake.

But a hundred years ago the Valleys could not have been further removed from the mindset of a depressed region. Quite the contrary in fact. In the 1901-11 decade, for example, Wales was the only country outside the United States to register a plus in the migration tables on account of the phenomenal influx of migrant labour into the southern colliery districts. Gwyn Alf Williams aptly captured the Zeitgeist in the Valleys when he spoke of the 'boundless self-confidence' of these working class communities, and there was no better index of this mood than the revolutionary syndicalist statement of 1912, the *Miners' Next Step*.

Fast forward a century and this self-confidence is conspicuous by its absence, corroded as it was by the fatal amalgam of economic decline, social malaise and political alienation. What is most distinctive about the Valleys today, the thing that marks it out even more than the dismal economic data to which we are inured, is limiting long-term illness. The 2001 census revealed that the Valleys once again dominated the league that no one wants to win – the league of limiting long-term illness. Six of the top ten local authority districts in England and Wales with the highest LLTI rates were in the Valleys.

Far from there being a single or simple cause of poor health – like poverty or mining for example – what we have here is a noxious cocktail of factors, including high levels of poverty, a woefully inadequate diet, sub-standard housing, above-average consumption of alcohol and tobacco and low levels of physical activity. These problems have been with us for so long that they seem to have lost their capacity to shock, even though *shocking* is the only sober way to describe them.

At bottom these problems signal a collective failure to provide the most basic amenities of a civilised life. We are not talking here about the Valleys falling short in terms of the 'knowledge economy' or the 'information society', advanced technology utopias which are arguably beyond the realm of what is feasible in the former coalfield region. We are actually talking about homes, health and physical well being – the very things that most people in the European Union take for granted.

For far too long we have hidden behind poverty-based explanations for these problems, but it cannot be repeated too often that other poor regions in the EU do not have the high rates of limiting illness that we have in the Valleys. But in regions like North Karelia in Finland, high rates of heart disease were only conquered as a result of a community-led initiative to promote better diets and healthier lifestyles, neither of which even registered on the Welsh political radar screen until very recently.

Clearly it is time we changed the way we think about 'regeneration' in Wales. Our post 1945 thinking has been far too *economistic* – that is to say it has been predicated on the assumption that

we need to ‘fix’ the economy as a prelude to, and as a platform for social well being. Perhaps this is an ideological residue of the cruder Marxist notions of the primacy of the economic ‘base’ over the social, political and cultural ‘superstructure’, a metaphor that has done untold damage because it devalues and demobilises non-economic struggles.

We should jettison this ideological baggage of ‘base’ and ‘superstructure’ and recognise that the spark of social and economic renewal can come from any sector – from artists colonising a deprived quarter of a city, from ecologists reclaiming green spaces or from transport planners creating car-free zones for pedestrians and cyclists. In this vein we want to suggest that the housing sector could provide the spark for a wider process of community regeneration in the Valleys if – and it’s a big if – the investment programme for housing renewal is ‘joined-up’ with strategies for training, employment, public procurement and sustainable development.

Housing matters to communities. Whilst not everyone may be economically active and employed, and only a minority of households may have children in education, housing is at the heart of communities. It has been shown that poor quality housing can have a profound effect on people’s health, safety and well-being – and that physically inadequate housing is a serious issue, particularly in areas of economic and social disadvantage.

The poor condition of the housing stock is one of the most significant problems facing Wales. Although comparisons are difficult because of different definitions, standards and the timing of individual surveys, it has long been accepted that Wales fares worse than other parts of the UK in terms of the condition of its housing. The problems have been well documented, and whilst financial support for the improvement of private sector dwellings increased substantially during the 1980s and early 1990s, enabling some progress to be made, there remain significant problems. The 1998 Welsh House Condition Survey showed that problems of unfitness and poor housing conditions remained widespread, particularly in some of the South Wales valleys, most notably Rhondda Cynon Taf, Merthyr Tydfil and Blaenau Gwent. Changes in the legislative framework for private sector renovation have given individual local councils greater opportunities to determine their own spending priorities and to develop a more strategic approach to private sector housing renewal. However, it is clear within the Welsh Assembly’s National Housing Strategy, that greater emphasis is to be given to securing the investment necessary to repair and improve Wales’ council housing stock, and this is the focus in the remainder of our article.

The recent report to the Minister for Social Justice and Regeneration from the National Housing Strategy Task and Finish Advisory Group, emphasised the importance of achieving the Welsh Housing Quality Standard (WHQS) in the social housing sector by 2012 – and the wider adoption of this standard in the private sector. Indeed, it argued that the achievement of the WHQS is critical to the delivery of the National Housing Strategy in its entirety.

It has been estimated that as much as £2.9 billion is needed to meet the WHQS in relation to the public sector housing stock. Such a level of investment is far beyond what Welsh local authorities can expect from the public purse. Although local councils have been given the opportunity to borrow for the purpose of housing investment within the prudential borrowing regime, according to what they consider is both prudent and affordable, they will still have to consider how they are going to reach the WHQS. Every Welsh local authority is expected to develop a Housing Revenue Account Business Plan to show how they are going to attain the WHQS. Whilst this new financial regime may offer more of a choice to some authorities, in our view, for many councils in Wales, housing stock transfer may remain the best option.

The process of stock transfer has been underway for some time in England, where 143 local councils had transferred 738,000 homes to alternative registered social landlords by February 2003.

In Wales the first large scale council housing transfer occurred in September last year, when Bridgend CBC following a vote in favour of transfer by their tenants, transferred approximately 6,500 council homes to the newly established Valleys to Coast Housing. Transfer has already brought tangible results to Bridgend, where Valleys to Coast will be spending £70 million on home improvements in the next five years. The first people to benefit from this investment will be the tenants, who will see long overdue repairs and improvements undertaken.

However, there are other equally important, if less evident benefits from the transfer process. The £70 million housing budget – equivalent to all the foreign inward investment in Bridgend in the three years to 2001 – can be used beyond merely improving the quality of housing stock and its environment. It can be used to promote the employment of people in the construction sector, as a result of the planned long-term increase in repair, maintenance and improvement. This creates the opportunity to link improving social housing with offering training and job opportunities, so maximising the employment opportunities for local residents. However, there are also the enhanced possibilities for the development of social enterprises and community-based businesses, which themselves have the potential to provide training and employment for local people, many of whom may have been long-term unemployed or economically inactive.

These benefits amount to much more than just improving housing and the image of disadvantaged communities. They seem to represent a unique opportunity to trigger a localised process of regeneration. This looks like a win-win situation for tenants and residents, the unemployed, the economically inactive, the social economy and the local authority. So why has housing stock transfer in Wales been greeted with a mixture of apathy, fear and in some cases outright ideological opposition? Why, outside Bridgend, has transfer not been embraced with greater enthusiasm?

There has been strong local government support for council housing in Wales, and we would not wish to deny what it has achieved in the past. Many local authorities have provided good quality homes, accountable housing services and fostered a sense of local community. However, the restrictions placed on authorities by successive governments have meant that few have had the resources either to provide the new affordable homes needed, or to maintain and improve the remaining housing stock. Indeed, in some areas local councils may be distrusted because of past failures.

We understand the concern that transfer organisations may not be seen as democratically accountable as local authorities are expected to be. Although council tenants do have a direct political relationship with their landlords, local democratic accountability can be overstated. In our view there are no good reasons why the transfer organisations, with one third of Board Members being tenants, should not be at least as accountable as council landlords – perhaps even more so. The Assembly’s community mutual housing trust model may help to address some of the concerns. In addition, action by the Welsh Assembly Government to promote a “Right to Know” for all social housing tenants in Wales (as recommended by the recent Task and Finish Advisory Group) could also help to empower tenants.

Locally, there will be anxieties amongst council tenants as to their future rights, security and rent levels. Staff and trade unions may also be concerned about the impact that transfer could have on jobs and employment rights. Clearly, such anxieties need to be addressed, but we are not convinced that they cannot be resolved. In Wales, for example, the difference between average council and housing association rents has narrowed, and we would not expect to see transfer leading to significantly higher real rents. Of course, many of the issues would need to be addressed in the transfer offer documentation, and would be agreed between the council and the new landlord on and after transfer. Whilst not wishing to underestimate the detailed issues in relation to any specific transfer of council housing, in our view the potential benefits could far exceed the costs.

In some parts of Wales (and perhaps particularly in parts of the South Wales Valleys) the extent of council housing disrepair, high investment needs, significant levels of outstanding debt and low property valuations could undermine the financial viability of transfer. The agreement reached between Edwina Hart and the Treasury to write-off overhanging debt in such instances will be beneficial in assisting the transfer process. In these circumstances the new prudential borrowing regime is unlikely to offer the prospect of attracting the necessary inward investment, and we would expect transfer to offer the best option.

However, in order to widen the alternatives available to local authorities seeking to meet the WHQS, it may be appropriate for individual councils to consider partial transfer, within the context of an overall strategy for local authority owned housing. In this respect, the suggestion from the recent Task and Finish Advisory Group that the Assembly should clarify its policy on partial stock transfers (and fund a small scale, estate based transfer in one of the Communities First areas) is a welcome step forward. It will, of course, be necessary to establish clear guidelines as to the rules for any potential partial transfer in order to ensure viability and value for money.

Whilst transfer may not be the choice for all Welsh councils, it may be the only realistic option for some of them, especially if tenants are to enjoy a quality of life which has been demanded, but seldom delivered. In the light of the Bridgend transfer other local authorities are now considering the options available to them if they are to meet the WHQS by 2012.

In considering the best way forward, we hope that elected members and council officers will reflect not only upon the housing gain for their tenants, but upon the wider opportunities for economic and community regeneration. These wider opportunities will only be secured if the improvement of the housing stock is linked to, and integrated with, strategies for health and well-being, economic development, education and training and environmental upgrading – in short, with local regeneration strategies. Local authorities should not see transfer as a loss of their housing function, but as a chance to put housing at the heart of their community well-being plans.

This calls for some radically new, ‘joined-up’ thinking in the National Assembly and in Welsh local government because new housing investment creates a once in a lifetime opportunity to mobilise resources for a triple dividend – to improve the lot of tenants, to create new employment opportunities and to enhance the quality of the built environment in some of our poorest communities.