

Bold Thinking Needed to Regenerate Our Communities

When the Welsh Development Agency announces a new foreign investment project the news is invariably greeted with great fanfare by the host locality. It encourages the local unemployed in the area because it promises a batch of new jobs. Local authority leaders are overjoyed because the project will contribute to the economic development of their area. And the local further education college will start gearing itself up to provide new training courses for the investment project. In short the inward investment project is usually welcomed on all sides as a wholly positive development.

Why is it then that a new type of inward investment project is being greeted with a mixture of disdain, fear and in some cases outright ideological opposition? Is it because the project involves *housing* investment rather than foreign investment? If this situation continues, some of the poorest people in our poorest communities - council house tenants - will be condemned to live in sub-standard housing with little or no hope of getting the extra resources they desperately need for the repair and maintenance of their homes.

This is the central issue at stake in the new debate about *stock transfer*, the name given to the process of transferring council housing stock from local authorities to registered social landlords - and the latter can be a housing association, a community “not for profit” mutual or a community interest company.

Far from being a purely academic issue, the process of stock transfer has been underway for some time in England, where 143 local councils have transferred over 700,000 homes to registered social landlords. In Wales the first large scale transfer occurred in September this year in Bridgend, where *Valleys to Coast* Housing has assumed responsibility of the local authority's stock of approximately 6,500 council houses - with the support of the tenants concerned.

Being bold 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 maintenance.

But there is an equally important, if less evident benefit taking place here. The £70 million housing budget - equivalent to all the foreign investment in Bridgend in the three years to 2001 - could be used to boost the social economy in and beyond the Borough if it is used to trigger a localised process of regeneration. This looks like a win-win situation for tenants, the unemployed, the economically inactive, the social economy and the local authority. But if these are the benefits, why the opposition?

Wales has not embraced housing transfer with enthusiasm so far. There has been strong local government support for council housing in Wales, and we would not wish to deny or underplay what council housing has achieved in the past. Many local councils have provided good quality homes, accountable housing services and fostered a sense of local community. However, the restrictions placed on local authorities by successive governments mean that few councils have had the resources to provide the new homes needed (indeed more than 115,000 council homes in Wales have been sold under the Right-To-Buy) or to improve the remaining housing stock.

The Welsh Assembly Government has established the Welsh Housing Quality Standard (WHQS) as the way to substantially improve the quality of the housing stock in Wales. It has set a date of 2012 to achieve this target. However, it has been estimated that as much as £2.9

billion is needed to meet the WHQS. Whilst the level of investment needed will vary across Wales, the overall scale of investment is far beyond what Welsh local authorities can expect from the public purse. No one should think that these resources will be found from existing budgets, or by switching spending away from other priorities such as health and education.

So what are the objections? We understand the concern that transfer organisations may not be seen as democratically accountable in the ways in which local councils are. However, there are no good reasons why such organisations should not be at least as accountable as councils, perhaps more so. The Assembly's community mutual housing trust model may help to address these concerns.

In parts of Wales the extent of disrepair, coupled with relatively low valuation, could undermine the financial viability of transfer and may have precluded action in the past. However, the agreement reached between Assembly Minister Edwina Hart and the Treasury to write off overhanging debt in such instances is beneficial in assisting the transfer process.

Locally, there will be anxieties amongst council tenants about their future rights, security and rents to be paid. Staff may also be concerned about the impact of transfer on jobs and employment rights. Such anxieties clearly need to be addressed, but we are not convinced that they cannot be resolved. They should not be used by local councils as an excuse to duck the issue and avoid considering transfer as an option for the future of the council housing stock.

In the light of the Bridgend transfer it is rumoured that several other Welsh local authorities are now considering the options available to them to meet the WHQS. We hope that all will do so, and that option appraisal will be followed by decisive action.

Whilst transfer may not be the choice for all authorities, it may be the only realistic option for some of them, especially if tenants are to enjoy a quality of life which has long been demanded, but seldom delivered.

But in considering the options and 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 gain and community regeneration.

These wider opportunities will only be secured if the renewal 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 councils should not see transfer as a loss of their housing function, but as a chance to put housing at the heart of their community 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.

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