Nel Sedaka would have told them, if only they’d asked. The government wants jointed-up thinking in stock transfers. Well, as Neil sang in the 60s, “breaking up is hard to do.” Surely he would have advised them that joining up is even harder? HACAS Chapman Hendry’s latest research for the Chartered Institute of Housing suggests that the stock transfer system, while having produced some real regeneration successes, needs a major shake-up if transfer is to be a force nationally for joined-up neighbourhood renewal.

Our study (inside Housing, 30 August) examines the experience of three registered social landlords playing a central role in the regeneration of neighbourhoods: Optima in Birmingham, Partington Housing Association (part of the Harvest Group) in Trafford and Poplar HARCA in Tower Hamlets, east London. We looked at what has helped them succeed so far and what is preventing them from doing more. Given the priority the government is giving to joining up around housing regeneration, we identified the policy changes that are needed to make regeneration-based transfer widely achievable.

The study looked at a range of factors: the funding mechanism; the support of partners; the approach of the sponsoring local authority; and the quality of community and professional leadership. We inevitably have found a central but, we regret, too weak; a strong but, we regret, too dense factor.

A key issue preventing the success of the three RSLs into a national programme is that all developed through funding arrangements no longer in place.

Can the relationship between transfer and regeneration become a marriage made in heaven – or will it be a shotgun wedding?

Jef Zitron wishes the partnerships every happiness

More needs to be done to incentivise public agencies outside the housing sector to engage in regeneration projects

So, even though government policy recognises the importance of not relying on wholly physical (or even housing) solutions in community regeneration, the stock transfer system works against giving housing and non-housing factors equal weight.

The system is geared to delivering refurbishment programmes, not major physical – let alone joined-up – regeneration. Even if substantial demolition and new building is needed, social housing grant funding cannot be a guaranteed part of the transfer funding package. It has to be bid for, year by year. The transfer through the Housing Corporation’s allocation process.

This means that residents in demolition areas cannot be offered enough certainty about rehousing before they vote. Among other things, our study recommends more and different types of public money for urban stock transfers. But there must be quick pro-qua. First, the money must be directed to projects based on genuine community empowerment. Second, the effectiveness of this spending has to be monitored far more systematically than at present. Monitoring systems for RSLs, the NDC, SRB, health performance etc operate with little reference to one another. This is an inconvenience for the RSLs but, more importantly, it means that no one in government really knows whether all this energy and money is making a positive overall impact.

This issue has implications for the Housing Corporation. RSLs are already involved in running cross-service projects and the growth in ‘neighbourhood management’ will only increase this trend. The corporation needs to develop the skills to regulate organisations that are fast becoming multi-purpose regeneration agencies, not simply landlords involved in a smattering of special projects. But, because of the wide range of potential partners for RSLs, regulation and quality are cross-government issues.

All of the case study areas have developed strong and balanced partnerships with other agencies, but more needs to be done to incentivise public agencies outside the housing sector to engage in housing-based regeneration projects.

Other sectors have many pressures on their resources. To be persuaded to give a substantial and sustained commitment to a partnership, agencies need to get something back. One of Harvest’s partners at Partington, South Trafford College, was gratified when the college’s Department for Education and Skills inspection report complimented its work with Harvest (and with building contractor Jarvis) to create a highly successful construction training programme. Partnership working could be given a major boost if non-housing regulators recognised the value of such partnerships in their assessments.

The main recommendations of the study are as follows:

- A national fund for regeneration-based transfers (whether positive or negative value) for pre-transfer and pre-transfer spending on demonstration capital works on both homes and community and environmental projects, capacity building and training for residents, staff development and training, and project development-related costs, and land purchase where site assembly is critical to projects.

- A national fund for dawdles for negative value transfers.

- Capping of landlord contributions in line with the rules for NDC schemes, to help facilitate regeneration.

- Inclusion of the costs of community regeneration into stock transfer valuations, both one-off (as in refurbishing old buildings resident resource centre) and continuing (for example, to fund community development staff).

- Encouragement of regeneration funding bids by authorities that cover more than one Office of the Deputy Prime Minister programme (such as NDC, SRB and NRR) as part of the application process for outline planning on the housing transfer programme. Where successful, the authority could potentially be granted funding from several sources additional to core transfer funding, but all of the would be incorporated within the transfer valuation and would thus be part of the association’s 30 year business plan. This would give all parts of the transfer RSLs regeneration proposals equal weight in the overall to tenants.

- Allowing authorities to include within their transfer proposal bids for Housing

Optima and Poplar HARCA were funded through the now defunct Estates Renewal Challenge Fund. Partington was a positive value-transfer subsidised by Harvest, but in a world where rent restructuring made RSLs far more cautious about committing resources to new initiatives. Even with the benefit of that funding, all three have been hampered by the fragmented nature of other funding systems.

The core stock transfer funding system cannot be easily connected to the main sources of regeneration funding (such as New Deal for Communities or the Single Regeneration Budget). While stock transfer funding is based on developing a 30-year business plan, other funding regimes provide only short-term (usually less than five-year) guarantees. For residents, this means that their transfer offer will commonly provide firm commitments on rents and physical works, but only vague aspirations on non-bricks and mortar issues.

The system works against giving housing and non-housing factors equal weight. The system is geared to delivering refurbishment programmes, not major physical – let alone joined-up – regeneration. Even if substantial demolition and new building is needed, social housing grant funding cannot be a guaranteed part of the transfer funding package. It has to be bid for, year by year, after transfer through the Housing Corporation’s allocation process. This means that residents in demolition areas cannot be offered enough certainty about rehousing before they vote.

Among other things, our study recommends:

- More needs to be done to incentivise public agencies outside the housing sector to engage in regeneration projects

...
Corporation social housing grant for demolition and new building where these are essential to the regeneration of an area. The SHG would be guaranteed over the length of the redevelopment programme; allowing firm new building and decorating commitments to be included in the offer to tenants.

- a pilot scheme for allowing cross-departmental regeneration funding bids linked to stock transfer. The Department for Education and Skills (for youth services, training and partnerships with further education colleges), the Home Office (for crime and security initiatives) and the Department of Health (for healthy living projects) are possible partners with the ODPM in such a pilot;

- the ODPM should encourage authorities to undertake ‘community options studies’ as a precursor to making decisions on strategic housing options, rather than the more narrowly-focused housing options appraisals undertaken by most authorities. The concept of a community options study is being developed as part of the community gateway model in research commissioned by the Confederation of Co-operative Housing, jointly with the Chartered Institute of Housing and the Co-operative Union. A community options study explores all the issues and priorities of residents and also involves a much higher degree of resident involvement than traditional options appraisals;

- a more coherent system for monitoring and regulating community regeneration;

- promotion and dissemination of good practice on community regeneration by the Neighbourhood Renewal Unit, the Community Housing Task Force and the Housing Corporation, building on the work already being undertaken by the Community Housing Task Force in sharing good practice on stock transfer; and

- an audit of all relevant regulatory regimes (in education, health, the police, etc.) to ensure that participation in housing based regeneration partnerships is acknowledged and rewarded.

The stock transfer system needs some big changes if it is to play a major role in neighbourhood renewal.

But, as Neil Sedaka himself might well say, ‘Maybe we should start anew, ’cos joining up is hard to do.”

### Funding the non-housing elements

Delivering Partington regeneration initiatives depended on generating external funding. The association established a generic approach with senior staff overseeing community regeneration and partnership activities alongside housing management. These led to a more comprehensive approach compared with the SHG-funded organisations, such funding was available to form a patchwork of sources. Trafford does not receive Neighbourhood Renewal Fund money.

- Poplar’s ERCF bid included a revenue stream for regeneration, the annual plan also provided £2 per week per tenancy to support regeneration, falling to £1 per week after five years. The HARCA is equally committed to raising match funding in 2001, grants came from the Single Regeneration Budget, the European Social Fund, the Home Office and other sources. It has already attracted NIF support.

- Optima housing interim’s £6 million award for community regeneration was provided for matching, and funding for its social and economic programmes. The association was seeking match funding from external sources, winning support from the SRB, ESF, NIF and the Home Office. Optima is considering succession strategies with options including an expansion of the benefit of income from its assets, reliance on external grant fundraising and secondment of staff from local service providers.