

Briefing Paper 15: Housing and Urban Regeneration – is levelling up still a priority? If so, how can it be achieved?

- Regeneration needs concerted, focused programmes if communities are not to feel left behind by new house building in prosperous areas.
- Regeneration is best delivered by locally led stakeholder partnerships using expert dedicated agencies, working to funded, time-bound programmes.
- Local authorities and housing associations (Registered Providers) should be empowered to deliver affordable new homes in existing communities.
- The government should evolve existing initiatives into targeted programmes turning the terms of trade in favour of regeneration.

Introduction

Meeting the government's new homes target might most easily be done on greenfield sites, but that misses opportunities to drive growth in existing, often 'left behind' communities. Regeneration (urban brownfield and town centre housing development and suburban densification) can be more logistically and financially complicated but is politically astute and environmentally and economically prudent.

Realistic and desirable policy objectives

Greenfield development is cheaper and quicker than brownfield. It appeals to housebuilders as timescales, costs and risks are less, but short-term returns on capital employed can be higher. New Towns and suburban extensions will mostly go on greenfield land.

Yet government policy is 'brownfield first' and regenerating brownfield sites in towns and cities has advantages:

- Social and transport infrastructure is in place or can be upgraded economically.
- It is easier to create denser neighbourhoods that depend less on the car.
- Existing communities will welcome improvements to their environment.
- Densification improves the viability of town centres and public transport.
- Local employment opportunities are available, or can be created using existing properties.

To achieve this, policy needs to be strengthened:

- Planning policy is mainly sound but market interventions are essential to redress the imbalance between greenfield and brownfield viability.
- Interventions need to be focused and targeted where need is greatest, using mechanisms that accelerate delivery.
- Local authorities and housing associations must have their delivery capabilities and power in the development process strengthened.
- Funding programmes need to be longer term, not copying the Tory government's pepper pot short termism.

How desired policy objectives can be achieved in the present circumstances

The opportunity is immense. In 2022, Lichfield's estimated that 1,400,000 homes could be built on registered brownfield land, a high proportion in urban areas.¹ In 2016, Savills reported that regeneration and intensification of local authority housing estates in London could generate an increase of between 54,000 and 360,000 homes.² The Northern Housing Consortium identified capacity for 320,000 new homes over 6,400 hectares in northern England.³

The challenge is that regeneration was eviscerated under the Coalition and Conservative governments:

- Regeneration teams were abolished wholesale in 2010-11. Most experts left the sector.
- Andy Haldane's *Levelling Up the United Kingdom* White Paper⁴ contained a sound analysis, but policy failed to address the issues.
- Areas that would have been dealt with by Labour's Housing Market Renewal Area (HMRA) programme were left to fester.
- The inherited crisis in public spending means funding solutions are difficult.

Lichfields point out that, with a preponderance of brownfield land in areas of low demand and poor viability,

*'there will need to be a step change in local decision making and heavy levers pulled at national level to encourage more joint venture and partnership working, pump priming delivery through grant to remediate land and bring sites to market.'*⁵

¹ Lichfields (2022), *Banking on brownfield*. https://lichfields.uk/media/7062/banking-on-brownfield_jun-22.pdf, accessed 9 January 2025

² Savills (2016). *Completing London's Streets*. <https://pdf.euro.savills.co.uk/uk/residential---other/completing-london-s-streets-080116.pdf>, accessed 9 January 2025

³ Northern Housing Consortium (2024). *Brownfield First*. <https://www.flipsnack.com/northernhousingconsortium/brownfield-first-1m2t0yaji/q/full-view.html>, accessed 14 January 2025

⁴ H M Government (2022). *Levelling Up the United Kingdom*, CP 604. https://assets.publishing.service.gov.uk/media/61fd3c71d3bf7f78df30b3c2/Levelling_Up_WP_HRES.pdf, accessed 9 January 2025

⁵ Lichfields (2024), *A tall order for brownfield land*. <https://lichfields.uk/blog/2024/october/04/a-tall-order-for-brownfield-land>, accessed 9 January 2025

The government has made a good start, introducing brownfield passports, continuing Levelling Up Home Building Fund (LUHBF) infrastructure loans, the Brownfield Housing Fund (BHF) and creating the Homes England/Oaktree/Greycoat master developer partnership.

What else is needed?

- **A national regeneration mission:** While the government and its agencies state that its housing mission contains a regeneration mission,⁶ this message is being lost behind the promotion of New Towns and pushing this agenda.
- **Expertise and powers:** Regeneration is best delivered through local partnerships with all necessary powers and expert delivery staff. This might be achieved by:
 - Mayoral development corporations with a roving brief over a wider than usual area, reducing overheads.
 - Teams working jointly with the private sector.
 - A knowledge and learning network.
- **Faster decision making:** Progress can be rapid when regeneration follows contractual milestones that hold decision-makers to account. Quick wins are important. Nothing convinces like starting on site.
- **Extending flexibility in funding:** Homes England's master developer partnership is exactly the kind of innovation needed. However, one partnership will not be sufficient. The model should be rolled out to foster a new focus on place-based regeneration through combined authority mayors, enabling local engagement with funders and investor-developers. Loans through schemes like the LUHBF should focus on regeneration, with interest rates and repayment schedules adjusted to reflect risk.
- **Grants.** Given public spending constraints, grants must be targeted where private funding cannot deliver a viable scheme.⁷
- **Empowering local authorities and housing associations.** These organisations have a duty to improve living conditions for residents, not generate maximum returns for shareholders. The government needs to encourage and empower them to become lead and equity partners in regeneration projects, putting in land, expertise, and/or the management of affordable housing.
- **Holistic regeneration.** Putting more homes in low demand areas will not work. Regeneration needs to address employment in parallel with housing to create demand. Investment in social infrastructure and alleviating deprivation requires equal priority with housebuilding to engage support from existing communities'.
- **Resident focused regeneration.** long-term management plans are needed to meet obligations and commitments given to communities.

Lessons from past experience in the UK

⁶ E.g. Homes England's strategic mission is "We drive regeneration and housing delivery to create high-quality homes and thriving places." [HE_Brand_Strategic_Plan_ARTWORK_HR_single_pages_DIGITAL_LR.indd](#)

⁷ As we are no longer in the EU, there should be no problem with what used to be called 'gap funding'

- **Rapid development:** the 1990s City Challenge programme and the delivery of the London 2012 Olympic Games were examples of rapid decision making, timely development and quick wins.
- **Delivery vehicles:** The last Labour Government's Growth Areas programme and the New Town and Urban Development Corporations illustrate the power of employing locally led development agents. The City Challenge and Single Regeneration Budget (SRB) programmes showed the value of making local communities full partners in decision-making.
- **Holistic regeneration:** There are many good examples – Urban Development Corporations, City Challenge and SRB among them.
- **Areas of low demand:** Although the Housing Market Renewal Areas (HMRAs) programme probably focused too much on demolition initially, as local communities became more involved it evolved combined strategies of renewal and replacement that began to pay off.
- **Knowledge networks:** CABE (Commission for Architecture and the Built Environment) ran highly valued and successful peer knowledge and information exchanges for the HMRAs and Growth Areas.
- **Encouraging all scales of regeneration:** Cooperative and Community Land Trusts have successfully delivered smaller scale community-led regeneration.

How successful delivery can help achieve the Government's key missions – economic growth and clean energy

- Our cities are the drivers of the economy. Not utilising their land to the optimum is a wasteful drag on growth. Regenerating them removes this drag anchor and creates new growth points.
- There are three main benefits for the environment: reusing existing carbon stored in infrastructure and buildings; reducing transport demand through compact urban form, and the opportunity to invest in clean energy when redevelopment takes place.

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