

**Middlesbrough Council
Mayoral Executive
And
Tees Valley Living
Housing Market Failure Claims**

The Facts

Blood sweat and tees

19 March 2004

Jim Johnstone and the Tees Valley Living team have a tough task ahead of them: tackling one of the country's worst housing market failures with no pathfinder cash.

By Joey Gardiner

"You need two things to get a regeneration project off the ground," says Jim Johnstone. "Statutory powers and significant funding. We've got neither." But the director of Tees Valley's housing market renewal project, just launched as Tees Valley Living, isn't going to let that stop him turning around one of the UK's most troubled housing markets.

It's a daunting task. As other parts of the country see the biggest property price boom for 50 years, average selling prices in one Tees Valley ward, Grangetown, have fallen from £27,000 to £14,375 since 2000. Three of the area's major towns – Middlesbrough, Stockton and Hartlepool – have sky-high deprivation index ratings, with four wards listed among the top 10 most deprived of all 8400 in England. Of all the North-eastern homes identified as being at risk of being unsaleable at any price in the Centre for Urban and Regional Studies' 2001 report on low demand, 30% are in the Tees Valley – that's 59,000 homes.

Yet despite these statistics, Tees Valley missed out on housing market renewal pathfinder status. According to the ODPM, it did not fit the criteria in the housing market research. That decision left it with no share of the £500m

allotted to the pathfinders in the Communities Plan to tackle low demand.

Step forward, Tees Valley Living. It was born last September, thanks to £100,000 from the Housing Corporation, £600,000 from regional development agency ONE North-east and a total of £170,000 from the valley's five local authorities – Darlington, Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton-on-Tees – and four housing associations – Coast & Country, Endeavour, Tees Valley Housing Group and B&N. All these contributors, plus the House Builders Federation and the Darlington Building Society, sit on the board.

Tees Valley Housing Group chief executive Alison Thain is chair of Tees Valley Living and she and Johnsons are well aware of the paradox they face: they have pledged to turn round the area even without government support, but further funding remains key.

Thain has wasted no time in starting negotiations with the people who hold the purse strings: local authorities, the government and regeneration agencies. Meanwhile, Tees Valley Living plans to submit a bid for £55m to the ODPM at the end of the month, hoping the funding will form part of the comprehensive spending review that will determine government spending streams from 2006 to 2008.

Johnsons estimates that in total, £500m of public funds will be needed over 15 years. He is thrashing out the details of the bid to the ODPM at an executive board meeting today, but Tees Valley is unlikely to bid under any existing spending streams. Its most likely tactic will be to become part of the national market restructuring campaign, which asked for £350m from the government this week. The government has said it will consider the bid but cannot yet say if it will be successful.

Lessons of the past

Stockton, Hartlepool and Middlesbrough received £37.5m each in City Challenge funding in the 1990s. Yet the areas now suffering the most severe housing problems are exactly the ones covered by those previous programmes. So, what's to say that pumping in more money will make a difference?

Johnsone says the problem with the earlier initiatives was that they were too short-term to make a difference: “They only lasted five years – of course they failed,” he says. “You can’t turn around 40 years of decline in five years.

“We’re going to declare intervention areas large enough to make sense, and we’re going to stay there long enough. We’re also going to have a willingness to recognise some areas don’t have a long-term housing future; it’s got to be wholesale, not sticking plaster.”

The once-booming Tees Valley has been in decline since the late 1970s, when the oil crisis hit its chemical industries. Cheap homes, built for workers from factories that no longer exist, fell empty as economically active people fled the area. The region also lacks an obvious centre, destination or cultural icon to regenerate around.

The 1980s solution was developments such as St Hilda’s in Middlesbrough. Less than five minutes’ walk from the town centre and overlooking the River Tees, it should have had a bright future but, 20 years on, it faces demolition again. The estate is 30% abandoned, with houses not just lying empty but virtually destroyed by neighbouring residents; its trees have been chopped down by the council to stop burglars and muggers using them as cover. “Private security firms come round demanding money to keep your house safe, and if you don’t pay them, bad things tend to happen,” says Johnsone. “That’s the kind of thing we’re dealing with.”

Many other estates have similar problems with crime and antisocial behaviour. In Grangetown, a pre-1919 estate half way between Middlesbrough and Redcar built to serve a factory that no longer exists, children steal roof tiles from boarded-up buildings, then go back and steal the timbers. Neil Cawson, renewal manager at Redcar & Cleveland Borough Council, says: “It’s impossible to keep these properties secure.

If we board them up with steel, the kids punch a hole in the roof and get in that way. They’ll steal the bricks if they can.”

Grangetown had millions invested in it in the 1990s under a Single Regeneration Budget programme that improved the

roads, house fronts and walkways. But Cawson says: "It's just been about chasing tails with budgets up till now. We haven't had the money to take the radical action needed, but we haven't wanted to lose the small amounts we have, so we've had continued half-measures."

Now Johnsone wants to do something altogether more radical. Although it is still early days for the partnership, he already knows broadly which areas require intervention and on what scale. Between 6000 and 12,000 homes will have to be demolished, many of them pre-1919 terraces. He has ambitious plans for the construction of 4000-8000 homes, fitting around existing initiatives like the 1400-home development of Middlehaven in Middlesbrough. Stockton, Middlesbrough and Hartlepool together make as coherent an intervention area as any of the other pathfinders, he argues.

Plans to clear the historic legacy of the Valley and replace it with new buildings are, inevitably, controversial. But Johnsone gives the critics short shrift. There is no place here, he says, for regeneration based on existing homes: "We're talking about houses built with one standpipe at the back, one water supply for 10 houses and a back lane for the midden cart to come down so you could empty the outside toilet. The time for updating them is past. It's a big message for London-based civil servants and politicians that this is different to what you're used to."

Half measures are not enough

Johnsone is not afraid to say the unsayable, particularly when it comes to community consultation. Too much talking can lead to wrong decisions, he says. "You ask a community what it wants to do and it's going to be relatively conservative and small-scale. People recognise that houses have got to come down, but the answers have always been 'let's take two or three houses here' and 'put some flower-beds in to make the area more attractive,' when in fact someone needs to say 'this entire block has to come out'."

Without any statutory powers, Tees Valley Living cannot force through unpopular projects in the way an urban development corporation might. That's where backing from partners such as Middlesbrough's mayor, ex-policeman Ray "Robocop"

Mallon, comes in. Mallon says: “For too long, politicians have erred on the side of caution. What we’ve got to do here is what’s right for the public in the long term, not what’s right for politicians in terms of short-term votes.”

There’s also support from further afield. Brendan Nevin, the outgoing chief executive of the North Staffordshire pathfinder and author of the research that led to the creation of the pathfinder strategy, says: “The Tees Valley certainly fits the criteria for the pathfinders. It just missed out.”

Even more than high-profile supporters, the project needs money and all the partners are hoping for a second round of pathfinders. Unfortunately, that’s a remote prospect. Johnstone says: “There’s a yawning gap between the scale of the challenge and what’s likely to become available from established funding sources.”

But Thain adds: “If we don’t get the money, we’ll carry on. Doing nothing is not an option. But there’s a limit to what we can do; it’ll be estate by estate, on a smaller scale.”

This interview plus other insights into the wisdom

**Of TVL & Middlesbrough Council
Regarding Middlesbrough
&
Teesside Terraced Properties**

Can be found online at

Housing Today Magazine

<http://www.housing-today.co.uk/>