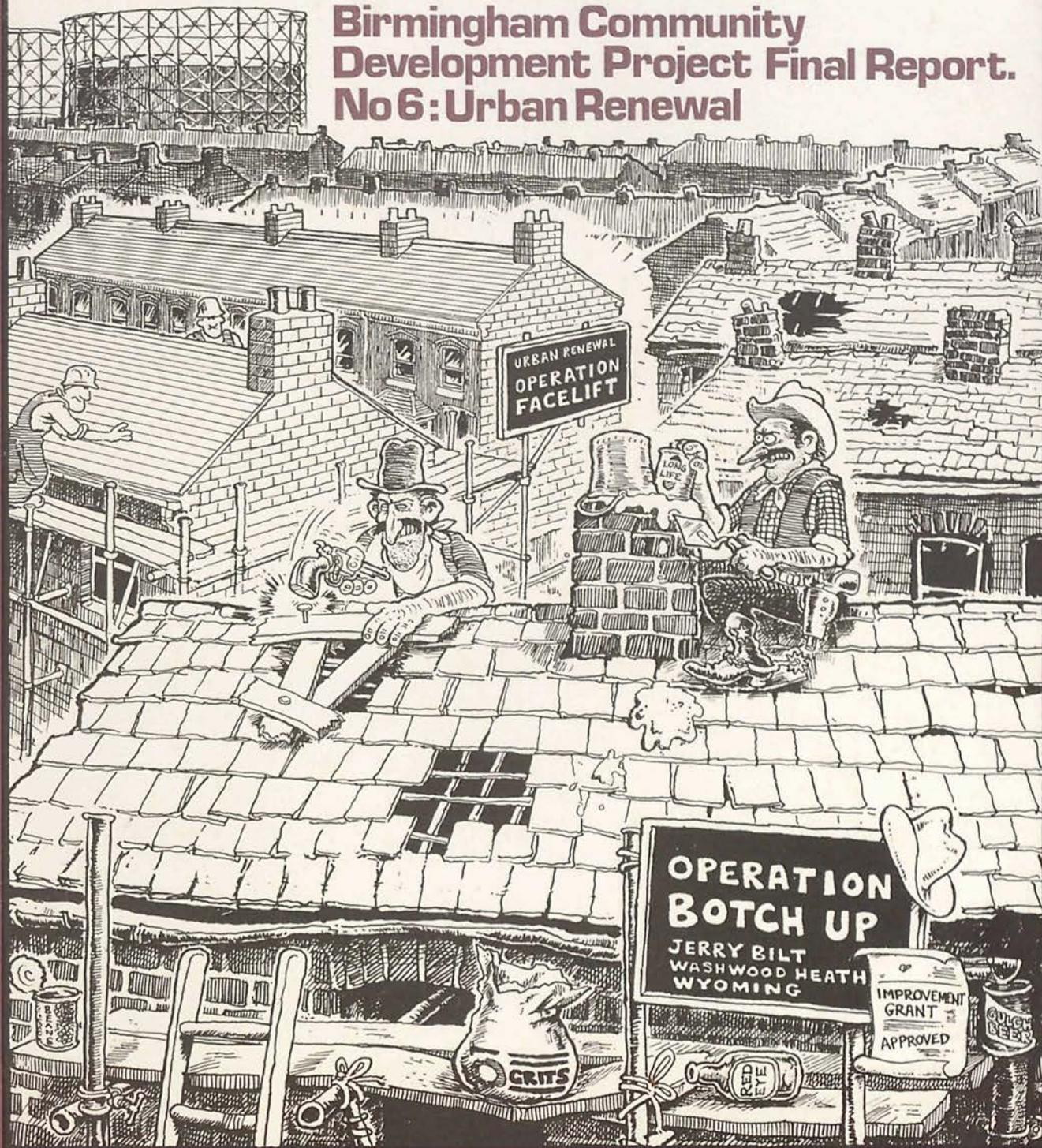


# FROM FAILURE TO FACELIFT

**Birmingham Community  
Development Project Final Report.  
No 6: Urban Renewal**



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**CDP**



Picture: John Reardon

Designed and produced by Sidelines, 81 Grove Lane, Handsworth, Birmingham, B21 9HE. (021) 551 2351.

Printed and typeset by Russell Press Ltd., 45 Gamble St, Forest Rd West, Nottingham NG7 4ET. (0602) 784505.

Published by Birmingham Community Development Project, 2 Alum Rock Road, Saltley, Birmingham B8 1JB in March 1980.

Cover drawing by Steve Bell.

ISBN 0 9506973 0 3

The Birmingham Community Development Project was set up and financed by the Home Office in conjunction with the Local Authority and Oxford University for a period of five years. This period ended in August 1977, by which time only four of the seven Final Reports were complete.

This Final Report was delayed because of dramatic and unique changes to Housing Action Area policies in Birmingham during 1977-78. But, when it was complete, the Home Office's response to the report was that they could not fund reports which included "post-CDP material, written by, and from the experience of, the authors in relation to a local action group and not by the authors of the Report in their CDP capacities." Neither were Oxford University satisfied with the Report and sought to establish editorial control.

As a result the publication of this Report has been financed by the CDP Housing Team not by the Home Office or Oxford University. It does not, of course, reflect the views of the Home Office or Oxford University, nor of Birmingham City Council.

Details of other Birmingham CDP reports and those of the other eleven CDPs set up elsewhere in the country are listed at the end of this report.

We would like to thank all those residents in the Urban Renewal Areas of Saltley and Washwood Heath who have helped directly or indirectly with the preparation of this Report. Also the many people who have made comments on earlier drafts and Rita Smart, Cathy Nicholls and Susan Smith without whom the Report would never have appeared.

Roland Watkins, John Shutt.  
CDP Housing Team.  
December 1979.

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# RENEWAL AREAS IN SALTLEY

Declared ———  
Undeclared - - - -





# Introduction

THIS report is the sixth in a series of final reports from Birmingham CDP. It describes progress in the Havelock Housing Action Area, Salfley — one of the first in the country to be declared under the 1974 Housing Act.

Its primary focus is on working class owner-occupiers who form the majority of the residents in the Housing Action Area. The report shows how in the five years since it was declared only limited improvements in housing conditions have been achieved using the powers available under the 1974 Act. Even these limited improvements placed a heavy burden on those owner-occupiers who were persuaded to apply for an improvement grant. Many spent more on the houses than they were worth.

To complete the Housing Action Area within the five-year time limit, Birmingham City Council has spent £3,000 on each of the 220 houses which owners could not afford to improve themselves. This subsidy is additional to Improvement Grants and has been provided under Operation Facelift — a scheme funded out of the Inner City Construction Pro-



## THE HAVELOCK HOUSING ACTION AREA

The Havelock Housing Action Area was declared by the City Council on 4th March 1975, along with three other areas in Birmingham: Nechells, Sparkbrook East and Little Green. It was amongst the first of the Housing Action Areas to be declared in the country. Previously four other declarations had taken place in London, Manchester, Liverpool and Newcastle. It is bounded in the north west by the Saltley Trading Estate and in the north east by the post-war Hutton Council Estate, in the east and south by other terraced properties of the same age which are in declared General Improvement Areas, and in the west by the Adderley Road Clearance Area, now laid out as open space.

At the time of declaration it consisted of 457 dwellings, broken down as follows:

Owner-occupied	294	64 per cent
Private Landlord	130	29 per cent
Housing Association	5	1 per cent
Council	28	6 per cent
<b>TOTAL</b>	<b>457</b>	<b>100 per cent</b>

Dividing the residential area is Saltley's main shopping street, the Alum Rock Road. Although it is decaying fast, it supports one large supermarket, several small grocery, drapery and butcher shops, two banks and Saltley Market. The Old Rock Cinema has been bought up by Ladbroke's and turned into a Bingo Hall; next door is the St. Saviours Primary School. In the same road there is a disused nightclub, and a neighbourhood Law and Resource Centre (the Saltley Action Centre) where the local housing association COPEC, the Family Planning Clinic and the Minorities Resource Centre are also based.

In George Arthur Road there are swimming baths, a Baptist Chapel and Asian Prayer House, and in Havelock Road and Washwood Heath Road there are two builder's yards. The only other industry in the area consists of two car repair yards in Havelock and Adderley Roads and a waste paper merchant on the corner of Phillimore and Wright Roads. None of the industry is large scale or noxious.

The population of the area is predominantly middle aged or elderly white people and young immigrants, mainly from Mirpur, a rural district of the Pakistani part of Kashmir. There is a small Bengali community in George Arthur Road. All of these groups are owner-occupiers. Younger whites tend to live in the tenanted property, now mainly owned by the Housing Association.

programme. The Facelift cost £1,200,000 in total.

CDP supports the principles of this action — it is the only logical way to organise Urban Renewal. Indeed, the report argues that this sort of scheme must be extended to the rest of Birmingham's older housing stock and to other parts of the country where the rate of improvement has been far worse than in Saltley.

But such action will require a vast amount of money which the Government does not want to spend. The 1974 Housing Act and the concept of Housing Action Areas were introduced in order to concentrate, but at the same time cut housing expenditure. The 1974 Act defined the problem of bad housing conditions as isolated "pockets of stress" in the major cities. The Havelock Housing Action Area, which by 1980 has absorbed more than £2 million of government funds, including Improvement Grants and Housing Association loans, accounts for only 380 of Birmingham's 78,000 pre-1919 houses. Most of these properties require similar improvements and repairs and their full improvement could cost about £500 million. Under present legislation, only about 25 per cent of this sum is likely to be spent.

Birmingham City Council introduced Operation Facelift quite deliberately in order to cover up the failure of owner-occupation to provide decent housing conditions for inner city residents. The Council is now seeking

government support to extend the scheme. The Department of the Environment is reluctant, objecting on financial grounds, but has recently been overruled by the new Tory Minister of Housing.

Yet the City's proposals are only the logical outcome of the policies of both Labour and Conservative Governments, which see owner-occupation as superior to council housing for the majority of working people. It is the local authority which now has to sort out the contradictions of such a policy. Operation Facelift challenges central government commitment to owner-occupation and its failure to support an alternative programme of building decent council houses.

Operation Facelift has been carried out by private contractors. The Council has never costed Operation Facelift to see if its own building workers would be a better and cheaper alternative because the present Conservative Council is committed to closing down as many aspects of Direct Labour as possible. It is, however, important that both residents and building workers examine what has been achieved in Operation Facelift since it provides one of the few examples of how to concentrate resources effectively in an area of older houses. Such schemes — and 2,000 more houses will be facelifted in 1980-83 — provide large contracts to large and medium sized building firms which traditionally have not done this kind of improvement work.

Their interest will fade when more new building and civil engineering contracts become available. What will happen then?

Finally, the report sets the Havelock Housing Action Area and the housing question within the wider inner city and planning context. There is no point in improving houses unless the area as a whole remains a decent place to live. People need jobs, shops and adequate services as well as a roof over their heads. There is little sign that the decline of the past 30 years will be halted or that the Partnership Committee even intends to face up to the real issues underlying this decline.

Havelock Housing Area is complete after five years of intensive work and more than £2 million of central government subsidies. But the future for the rest of Saltley remains in question unless there are major economic and political changes ■

# 2

## The history of Urban Renewal



SALTLEY is a residential area in the inner ring of East Birmingham. Its rows of bye-law terraced houses were built between 1860 and 1910 to house skilled men working in local factories, railway yards and gas works. The houses were sturdy and well constructed — not like the back to backs built for the “labouring classes” — on agricultural land owned by Lord Norton and William Hutton. These gentlemen sold building leases to local contractors subject to certain conditions about the density and future use of the houses. On average, each lease allowed for the construction of about eight houses. In practice only a few builders were involved and they usually bought up several leases and built the houses as continuous streets to a standardised design and quality.

Originally, most of the houses were sold, leasehold, by the builders to private landlords and the people who lived in the houses were private tenants. But beginning in 1920 and accelerating rapidly throughout the 1940s and 1950s the building society replaced the rent collector. Landlords increasingly restricted by Rent Act legislation, sold their houses and invested their capital elsewhere. Estate agents bought them, perhaps operating through a small property company. They then canvassed sitting tenants on the desirability of owner occupation and arranged finance for them with a local building society through a network of professional contacts.

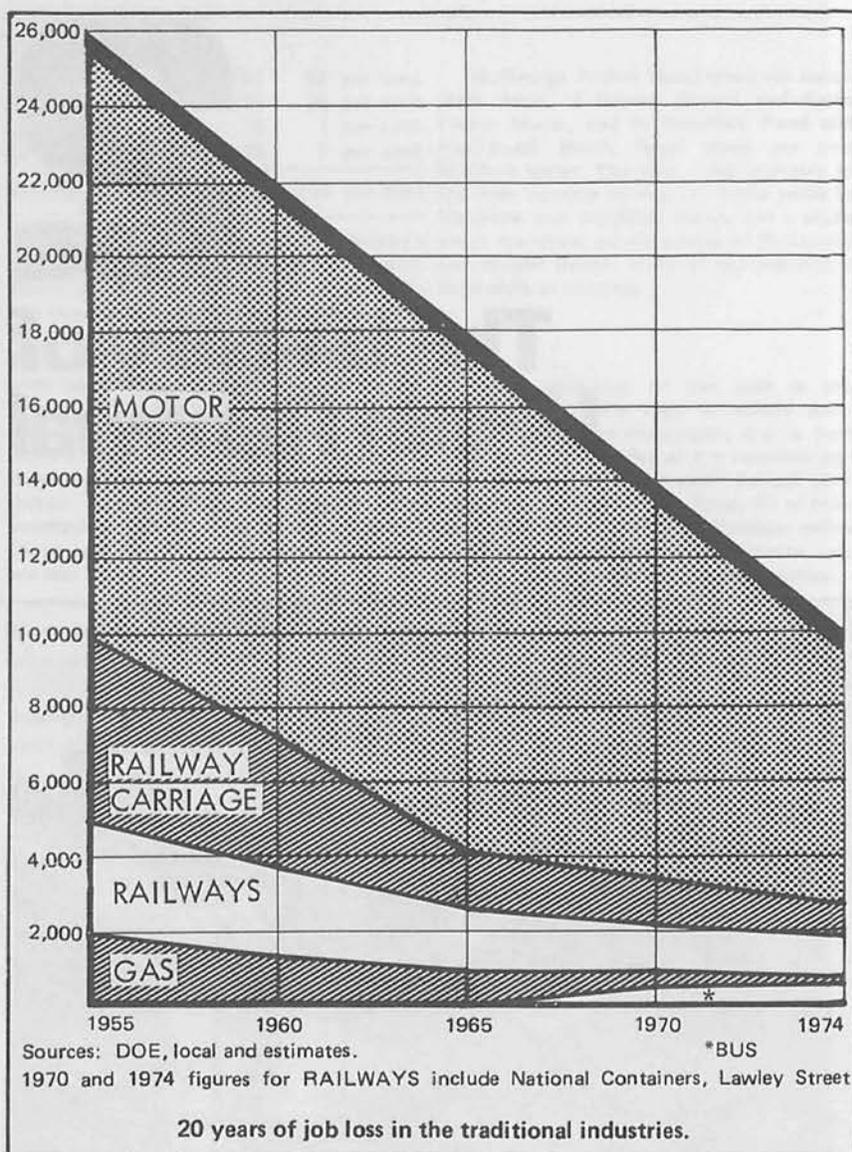
The increasing burden of maintaining and repairing the now deteriorating houses passed from the landlords to the owner occupiers. But, through the system of head and sub leases, both the original landowners (or their trustees) and the landlords retained an interest in the house and collected a small ground rent — usually about £5 in total.

After World War II the better off skilled workers began to move out of Saltley to the newer, semi-detached houses in the suburbs. Irish immigrants and, later, in the 1960s, immigrants from the West Indies and Pakistan, took their place. They took unskilled jobs. Wages were low and Saltley was an area of cheap houses. The newcomers had little left to spend on maintaining their houses.

In the same period, Saltley's traditional skilled jobs disappeared: between 1964 and 1974 alone 10,000 jobs were lost due to rationalisations, relocation and redundancies. This contributed even further to the migration of skilled workers and a reduction in wages and living standards. As the area declined, building societies stopped lending since most of the houses had short leases (less than 40 years) and required major repairs. So the estate agents organised alternative finance through banks and finance companies. Those dealing in the sale of houses to sitting tenants often set up their own finance companies specifically for this purpose. This meant an even larger slice of the new owner's wages was spent on buying the house. The high interest rates charged by banks and finance companies (up to 30 per cent in the case of some fringe banks) left even less for repairs and maintenance. When CDP moved into Saltley in 1973, although the area was not exactly falling down, it was rotting away rapidly beneath the hastily daubed coats of summer holiday painting.

Birmingham Council's housing policy in the immediate post-war years had been slum clearance. The programme was so massive and so disrupted by central government stop-go attitudes to council housing that it took 30 years to complete. Vast new council estates such as Castle Bromwich and Chelmsley Wood had to be built in the suburbs before all the slums in the Central Redevelopment Areas were cleared by about 1970. Once the back to back housing in areas like Duddeston and Nechells had been redeveloped, the clearance machine rolled on and began to nibble at the edges of Saltley.

But local residents, like many others up and down the country, were no longer convinced by the promise of a decent new council house when the reality was up to 20 years wait in a blighted Clearance Area and then, tower blocks, high rents and long and expensive bus rides into town at the end of it. This downgrading of council housing by central and local government turned many heads towards the alternative of home ownership and improvement. In any case the recent immigrants, especially Pakistanis,



Since 1974 the decline in employment has continued with further rationalisations at British Rail and the Gas Board. One of the local car factories, at Castle Bromwich, is threatened with closure under the Edwardes Plan and these have already been redundancies at Dunlops.

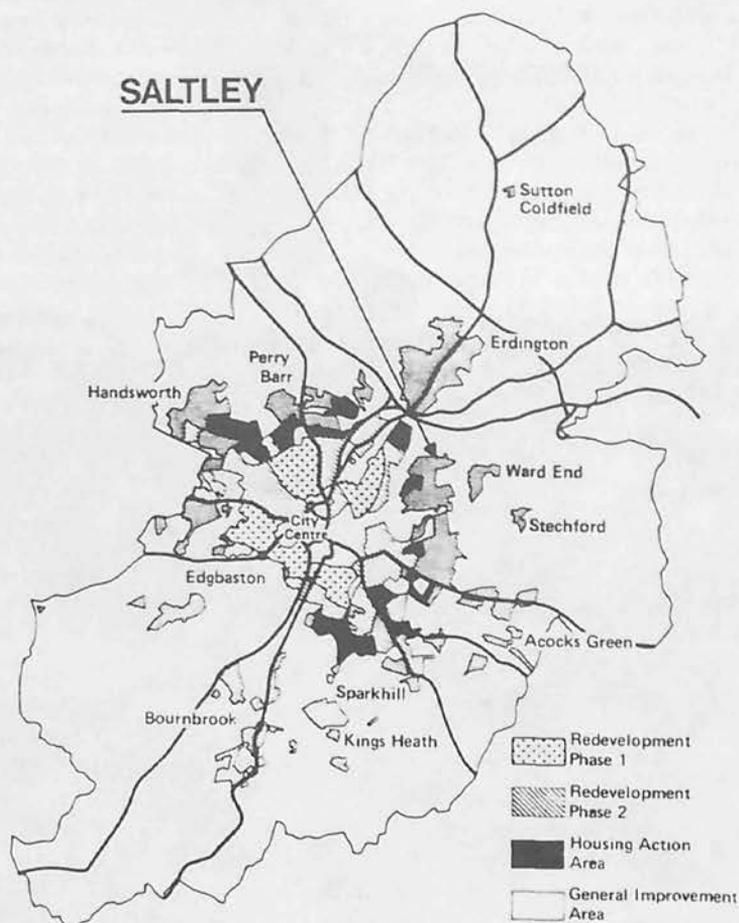
preferred the security of owner occupation, whatever the financial disadvantages. Increasingly they mistrusted all sections of central and local government as administrative controls tightened on their family lives and on their mobility.

In 1970, seven General Improvement Areas were declared in Birmingham and two more in 1971. These were little more than experiments. It was the Labour Party, which swept back in power in 1972, which took on the task of drawing up a blueprint for all of Birmingham's pre-1919 houses. The City was divided into a further 69 proposed GIAs containing 60,000 houses to be declared in the

period 1972-78. Between this zone of GIAs and the never quite cleared Redevelopment Areas lay the 28 Renewal Areas — a further 14,000 houses.

It was a typically grandiose Birmingham approach to the problem of housing decay and took little account of the administrative machinery, staff or finance likely to be available. But it also owed something to the concept of the "total approach", a phrase given currency by Peter Walker, Tory Minister of Housing, when launching the Inner Area Studies in 1972. Subsequently, the improvement programme was to become inextricably linked with corporate management —

## SALTLEY



Birmingham's Urban Renewal Proposals. The Redevelopment Areas are now cleared but not all the General Improvement Areas are declared.

another idea pushed by Peter Walker — and introduced in Birmingham in 1974.

Indeed, the idea of a corporate approach was already implicit in 1972 when members from the major Committees formed the Urban Renewal Conference. From the outset it was recognised that the Public Health Department, which administered Improvement Grants, could not handle the regeneration of the inner areas without the co-operation of the Housing, Finance and Planning Department and, to a lesser extent, the departments responsible for education, leisure community facilities and transport.

The other major innovation of the new Labour Council was the setting up of a Council controlled Construction Department. Had it been feasible to link this with the new improvement programme it is just possible that by 1975 the Council would have had some of the tools it needed to do the job.

But it was not feasible. Like other direct labour organisations, the Construction Department could only work for the Council. More important, the Improvement Grant system, first devised in 1949, required the *owner* of the house to initiate action, to find a proportion of the expense and to contact a builder. House improve-

ment was — and still is — seen as a private arrangement, using discretionary State assistance; a series of one off jobs, adding up to something bigger. Had central government ever seriously wanted to encourage the sort of municipal exercise envisaged by Birmingham in 1972, it would have changed this system. Even before the 1969 Housing Act, some architects and planners were proposing street by street improvement contracts, involving *free* provision of essential repairs and modern bathrooms. Such proposals have never been popular in Whitehall because of their cost implications.

It was the Urban Renewal Conference which in January 1973 launched the programme. A further six General Improvement Areas were declared immediately. But it was clear to the younger Labour councillors brought to the fore by the massive electoral victory of 1972, that the crunch for the Urban Renewal Programme lay in the 28 Renewal Areas. These were doubtful areas which had deteriorated too far to become General Improvement Areas, around which the Public Health officials had sketched their red pencils.

Resources were needed most urgently in these areas which were closest — physically and administratively — to the blight of redevelopment. If they were not to be redeveloped then they had to have urgent improvements instead, to prevent any further decline. How and with what money? The councillors found they only had effective control over land already in the Council's ownership and a small environmental budget.

In contrast to the City's Council House Building Programme, there was no organisation to implement Urban Renewal policy. It had to be built from scratch. The Renewal Area concept was not popular with the senior officials. To some extent their reluctance was understandable: it was a policy without the necessary teeth or finance. But it soon became clear that they were more worried about the way that the councillors were giving Urban Renewal an important dimension of public participation.

When the residents of the Renewal Areas were informed of their new status in August 1973, the letter which

dropped on their doormats was threatening, rather than encouraging. In effect this infamous 'pink letter' said — "your area will be declared a Slum Clearance area in the next few years unless you and your neighbours all apply for improvement grants very quickly". Yet residents already applying for grants in the Renewal Areas found that their applications were refused and old people who were selling their houses to the Council in exchange for a flat or bungalow were told that the deal was off. This was done, claimed the officials, because of the "uncertainty" created by the new designation! The resentment caused by this bureaucratic approach was orchestrated by the Birmingham Evening Mail which published articles about the new policy with shock/horror headlines before people even received their pink letters.

Saltley's Renewal Area, numbered 24, covered George Arthur Road, parts of the Havelock, Phillimore and Wright Roads, Adderley Road (what was left of it), Cranby Street and the scattered houses on Alum Rock Road. Several blocks of houses in Havelock and Wright Roads and one side of Phillimore Road were sent white, not pink, letters which indicated that they would not be designated in early slum clearance schemes. The Renewal Area overlapped the slum clearance areas in Hereford Square, Adderley Road and Cranby Street — the first of which was made in 1961 — and included the area of back cottages between Alum Rock Road and Havelock Road which had also been partially and spasmodically cleared since the 1950s. In fact, most residents of the Renewal Area had already got used to the idea that their houses were "ripe for redevelopment" by sharing fences with neighbours who were already affected. Ten years of creeping dereliction had added to their concern. The pink letter was therefore interpreted by most residents as meaning the worst — exactly the opposite intended by the councillors who had devised the original policy.

The real intention of the Council's policy was published by CDP through leaflets and delivered door-to-door, but was seriously hampered by lack of hard information from the officials,



Improvement policies were adopted in Birmingham because of the failure of the Council to maintain the momentum of its clearance programme in the face of cuts in housing finance during the early 1970s and resistance to re-housing in the tower blocks favoured by successive governments during the 1960s. Saltley residents were told this quite clearly at the Public Meeting on 21 January 1974. As the minutes record, "Councillor Hannah said it is increasingly difficult to build new municipal houses because of the cost and lack of resources and this is the reason for the Urban Renewal policy of retention wherever possible."

and local scepticism. In October a stormy public meeting organised by CDP at the request of local Councillor Les Byron, and attended by 400 people gave the councillors some indication of the pent-up resentment felt by Saltley residents about the neglect and dereliction inflicted on the area.

The meeting sparked off two quite separate groups of people. North of Alum Rock Road, the Washwood Heath councillors organised a meeting for Havelock and Wright Roads out of which grew an informal residents' committee. With the aid of CDP the residents carried out a survey of preferences and demonstrated a clear majority in favour of staying and improving; most of those in favour of

demolition were private tenants. The Public Health Department began to inspect some of the houses where improvement was preferred and produced lists of the work which needed doing.

But the Residents' Committee never developed any clear voice of its own. The councillors lost interest in the idea of regular street meetings; they saw their job complete once the survey was finished and the results sent off to the Urban Renewal Officer. In fact, the work was only just starting. For the next year CDP serviced Havelock Road and Wright Road with information, called street block meetings and liaised with the council officials, yet no residents' organisation capable of taking a collective decision about the

direction of the improvement process ever grew out of this activity.

In George Arthur Road there was a clearer view of reality. Moreover, the threat of demolition seemed to galvanise far more people and the result was the formation in November 1973 of an independent Residents' Action Group. They too, carried out a survey of preferences and the local health inspector prepared schedules of improvements of some of the houses.

The schedules prepared in Havelock and George Arthur Roads were long and full of technical jargon like "architrave" and "granolithic floor". They didn't really answer the question "Is it worth improving my house?"

So CDP asked a builder recommended by the Health Department to cost three of the schedules. The costs worked out at £2,880 and £2,800 for two houses which needed a lot of general repairs as well as new bathrooms and £1,813 for a house where repairs were minimal (it had, for example, already got a new roof). At the time the maximum grant payable was only £1,000, which meant that, on average, residents would have to meet almost two thirds of the cost themselves.

On 21st January 1974 the Council held its own Public Meeting. Councillors, the newly formed residents groups, CDP, and the local Health Inspector had been very active in the six months since the new Urban Renewal Policy was announced. Many people were ready to go. But, like residents all over the city, they were moving too quickly for the Town Hall.

Committee room feuds about the details of Urban Renewal policy were still raging. Departments and senior officials were struggling among themselves for power. The Housing Department was still trying to ignore the entire policy because of the changes required in traditional management techniques — an attitude it maintained until 1975. There were no staff to actually implement the Urban Renewal policy at a local level. Political commitment far exceeded the machinery available. For example, it was in December 1973 that the Urban Renewal Sub-Committee, following representations by George Arthur Road Action Group, Saltley councillors and

CDP, voted to spend £10,000 on grass and fencing to improve the Saltley Gate area. It was a bold and necessary decision. The work was carried out six months later, but the turf, which cost £6,000 to lay, was never cut and maintained because of departmental arguments. January 1979 it was dug up and replaced by new turf, which this time *has* been maintained.

So the Urban Renewal public meeting came too late and raised the wrong questions. The costing exercise carried out by CDP had revealed the real problem of Urban Renewal — the expense to residents. Yet the officials were still trapped in their world of procedure, pink or white letters and decisions about "uncertainties" they themselves had created.

The platform was packed by senior officials from every conceivable department, each watching carefully that no-one — especially local councillors — made promises they did not approve of. They did not appear to know about the previous three months hard work in Saltley. For these officials Urban Renewal was *their* problem — a new policy which had not been properly digested into their respective empires. The idea that it was about making life more tolerable in Saltley — providing all departments co-operated in a positive way — was a secondary consideration. It was an attitude that has characterised officials outside the Urban Renewal Section — especially in the Estates and Treasurers Departments — even to this day.

The costing exercise on the three houses in Havelock and George Arthur Roads had not been completed until 17th January and the results were not widely known. When they were announced during the course of the meeting there was widespread amazement and alarm. But it meant that, right at the beginning, Saltley residents and the Council have had to face the obvious fact that the full improvement of their houses is expensive and that the level of the government's grant scheme is inadequate and no compensation for the alternative — a modern council house.

But the meeting dodged the issue by concentrating on the question of irrelevant items of improvement and on how to cut expenditure without

jettisoning the Council's standards. On the basis of a misprint in one of the schedules of improvement the Council was even accused of deliberately pricing owners out of their houses. In the negative atmosphere of the public meeting it was an easy mistake to make. Finally, it was agreed that the George Arthur Road Action Group, who were most vocal in their criticism, should be allowed to appoint an independent assessor whose fees would be paid for by CDP.

The next five years have done no more really than elaborate the basic economic statement made clear at that January public meeting in 1974. The lack of resources for housing has grown worse and the government has refused to link the level of improvement grants to the actual costs. In November 1974 the grant limit went up to £3,200 but building prices soon followed. For a brief period in 1975 the grant represented more than 50 per cent of the average cost of the full improvement. The house that was costed in December 1973 at £2,880 was eventually improved in 1975 at £4,000. The house that was costed at £1,813 was improved in 1976 at £4,078. The present limit is £5,000, a figure set in January 1978, but few full improvement schemes today come in at less than £8,000. As a result many officials are beginning, once again to emphasise the need for more redevelopment.

After the Urban Renewal Conference had launched the new programme in 1973 the Council proceeded with the necessary administrative arrangements to put it into action. An Urban Renewal Section was set up within the Public Health Department, with the offices located initially alongside the Housing Department at Bush House. Staff were appointed and out of these were fashioned by March 1974 two Urban Renewal Project Teams to be based inside the Renewal Areas. These were an innovation designed to provide a more local feel to the council's policies. Then, as now, nearly all the permanent staff were Public Health Inspectors, due to lack of co-operation by the other departments, who argued against secondment of their personnel. The most they would agree to were irregular

**HAVELOCK**

**URBAN RENEWAL NEWS**

**JUNE '75**



**Your area is now a Housing Action Area!**

**OWNERS**

75% Grants Available for Home Improvements.  
(subject to Maximum of £2,400 per House)  
90% Grants Available in Special Circumstances.  
(i.e. Financial hardship)

**COUNCIL LOANS**  
(to assist with your part of the cost)

**TENANTS**

Private Landlords are presently improving some of their property with grant aid.  
The Council are prepared to use compulsory powers to insist that tenants enjoy the advantages of home improvements.

Council Tenants:- The City Housing Department are presently carrying out schemes of improvement.

**EVERYONE MAKE YOUR AREA A BETTER PLACE TO LIVE IN!**  
How to go about it? see over.....

A Housing Action Area is an area of housing stress in which the local authority is given special powers and additional finance to relieve stress, improve the quality of the housing and bring it under proper management. The means of achieving these aims should be set out in an Action Programme. In an HAA:—

- there are 3 types of Renovation Grant — *Improvement, Intermediate and Repair*. Each has a different "maximum cost" which at present is £5,000 for *Improvement*, £2,800 for *Intermediate* and £1,500 for *Repair*. The "maximum cost" for an *Improvement Grant*, the only one normally allowed in Havelock HAA, in June 1975 was £3,200. There are also *Special Grants* for houses in multiple occupation. *Repair Grants* are primarily for those in "financial hardship".
- all owners are entitled to 75% of the "maximum cost" (not the actual cost) of the Council's recommended improvement works. In June 1975 an owner applying for an *Improvement Grant* could have received a maximum of £2400. Today it is £3,750.
- owners judged to be in "financial hardship" can receive 90% of the maximum costs.

This reduces their contribution to £500 (£320 in June 1975).

- Birmingham Council, like most local authorities, is prepared to lend owners their 25% (or 10%) of the improvement costs. Pensioners can receive "maturity loans", which means they only need pay the interest on the loan — and this can be funded by DHSS.
- tenants have to rely on their landlords to apply for a grant. However under Section 43 of the 1974 Housing Act, local authorities can compulsory purchase any accommodation in an HAA, in order to achieve the objectives of housing action area policies.
- Landlords power to evict tenants are restricted. All Notices to Quit and all intended sales of rented property must be notified to the local authority, who have 28 days to decide what to do.
- the local authority can spend money on the exterior or the boundaries of any house — or the environment. But government subsidy for this expenditure is only available at £50 per house.

visits to the local offices and regular meetings every week at Urban Renewal's main offices. Therefore throughout 1974-76 what was known as the MDT (the Multi-Disciplinary Team) sat down to discuss the intricacies of the Urban Renewal Programme with only a handful of the officers involved having direct experience of the condition in the Renewal Areas.

The first team in the field was at Little Green, Small Heath, out of which was developed a team for Nechells and Saltley. This started work in Saltley in March 1974, but was never really operational until it moved to new offices in Eliot Street, Nechells, in August 1974. The 'work' consisted of house inspections which were turned into schedules of improvement. It was the standard job done in connection with improvement grants, but in isolation was quite inappropriate to the Renewal Area policy where the first problem was to define which houses were to be demolished, and which improved.

In April 1974, Local Government Re-organisation engulfed everyone for a few months, but when things settled down it seemed that Urban Renewal was more established than before. In September 1974, when the Labour Government passed the Tory Housing Bill without alteration, the legislation confirmed the Council's new policy of concentrating on the worst areas and immediately the prospect of turning the Renewal Areas into Housing Action Areas was opened up. By March 1975 Birmingham had its first Housing Action Areas. Renewal Area 24 became the Havelock Housing Action Area.

Two years after starting, therefore, Urban Renewal boasted a brace of senior officers (now re-located in luxurious offices in Edmund Street), an expanding empire of teams, four Housing Action Areas, a programme of 18 more when the Department of the Environment allowed it, a special sub-committee which met alternatively with representatives of Community Forum (a Federation of residents groups) and a hot line to the Leader of the Council. Thousands of house inspections had been carried out. *But no houses had been improved in any of the Renewal Areas* ■

# 3

## Improvement and working class owner-occupation

THE HOUSING policy of both the major political parties at national level, is now firmly set in favour of owner-occupation, with council housing being regarded as a left-over for the poor, needy and disabled. The Labour Party's commitment to owner-occupation as the best form of housing tenure for working people was finalised in the 1977 Green Paper on Housing, which argued:

*"A preference for home ownership is sometimes explained on the grounds that potential home owners believe that it will bring them financial advantage. A far more likely reason is the sense of greater personal independence that it brings. For most people owning one's home is a basic and natural desire."* (Our emphasis).

This and other CDP reports (e.g. 'Profit against Houses',) argue however that the desire for owner-occupation has been manipulated by the failure to build enough council houses to decent standards, by cutting the council house building programme, by raising rents, and by the continual propaganda of construction companies, building societies, estate agents and solicitors who have a vested interest



in maintaining a private housing market whether or not it provides better housing conditions.

In "Private Housing and the Working Class" (Benwell CDP 1978) it was argued strongly that owner-occupation contains within it a basic contradiction. As it gets older a house wears out and requires maintenance and modernisation; yet because it is a commodity valued for its exchange value, rather than its use value, it is treated as an investment and house prices continue to rise with age.

The rise in the price of older houses compared with new ones may be slightly less but the difference does not adequately compensate for the cost of proper maintenance and repair. In addition, these inflated prices are still reflected in the average owner occupier's housing costs years after purchase, because of long term borrowing. In recent years mortgage repayments have actually increased, or repayment periods been extended, because of high interest rates. The effect of this contradiction, especially on low income households, is to discourage or prevent repair and maintenance and housing conditions get worse.

CDP believe that this process will eventually appear in every area where the predominant housing tenure of the working class is owner-occupation, even the suburban Wimpey Estates.

At the present time however, it is in our inner cities where it is most acute and where the effect of the market mechanism is becoming evident. In particular, the Havelock Housing Action Area provides a vivid illustration of the problems and how they are being managed by the State.

In 1975, 64 per cent of houses in the Housing Action Area were owner-occupied. This is higher than the average for the area (55 per cent). But the Housing Action Area was an area which the council itself designated marginal between clearance and improvement. More than half the houses were considered likely to become unfit within five years. What the 1974 Housing Act did, by introducing HAAs, was to shift the cost and responsibility for remedying this unfitness on to the owners and away from the State. If owners co-operated, then the State would be spared a large slum clearance and rehousing bill. Admittedly 75 per cent and 90 per cent grants were available but these contained more colour than substance because from the start the grant levels did not cover the cost of improvements and have never been regularly increased to keep pace with inflation.

By August 1977, two-and-a-half years after declaration, and four years after Urban Renewal had been established, only 32 per cent of the owner-occupiers had carried out any

improvements. Much of the work carried out was of a poor standard and would not give the houses a 30-year life. Moreover it was unlikely that within the five year period many *more* owner-occupied properties would be improved.

But the pattern of improvements was uneven. The level of activity in some streets was higher than in others. By examining the Housing Action Area on a street-by-street basis, a better understanding can be gained of how the complex problems of improvement grants, housing finance, landownership and building work, interlink to prevent the success of Urban Renewal.

## Havelock Road & Wright Road

Virtually all the houses in Saltley were built on building leases granted by Lord Norton and William Hutton. This means that few of the owner-occupiers really own their house. They hold 99-year leases which will expire within the next 25 years. When the lease expires, the leaseholder becomes a tenant of the freeholder. Not surprisingly, after working hard all their lives to buy their houses, most Saltley residents are not keen to lose it again and many of them have been trying to buy the freehold. Urban Renewal makes it even more important for a leaseholder to buy the freehold. No-one wants to improve their property, committing themselves to thousands of pounds worth of expenditure, if the house is not going to be theirs at the end of the day.

But the property companies which own the freeholds — having bought them from the original landowner — have not been willing to sell them to owner-occupiers. They have obstructed the legislation — the 1967 Leasehold Reform Act — which gave leaseholders who have lived in their houses for five years the right to buy the freehold. In Saltley people have not had the money to pay for professional expertise required to barter with the landowners.

This private leasehold land-ownership system — and the Council's failure to tackle it — is one of the roots of

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### OWNER OCCUPATION — NOT ALWAYS BEST

Certainly not all the people living in Saltley are convinced that owning a house is better than renting one from the Council. From CDP's small and relatively inaccessible office, hundreds of applications to register on the Housing Waiting List were handed out during its short existence, 1973-77. Most of these were, of course, to private tenants, because owner-occupiers are not normally allowed to register on the list.

But owner-occupiers can sell to the Council in exchange for a tenancy. They only get about 40 per cent of the estimated market price — or what seems about 30 per cent of the price likely to be recommended by local estate agents. Even so, many people in Saltley have chosen to get out of owner-occupation in this financially disadvantageous way. The Council's scheme is devised mainly for the elderly and the chronically sick. But CDP know of many younger people — including Asians, who usually show a very strong preference for owner-occupation — who have applied. They

have all been refused, except for a brief period in 1974-75, when government finance for Council purchase was unlimited. Some have sold to a Housing Association as an alternative; others now turn reluctantly to improvement or moving elsewhere.

Mrs B in George Arthur Road is typical of the people who wanted to sell out to the Council in exchange for a council tenancy. When she could not, she sold to Copec for £800. Owing £600 on her mortgage, this left her with just enough to pay the legal fees. Owner-occupation did not enable her to accumulate any assets at all. She was glad to get out of this form of tenure and into a good quality rented house.

In Havelock Housing Action Area there have been few sales to the Council (except in those blocks designated for demolition) since an initial wave of about six in 1974-1975. Since that date, Copec Housing Trust has taken on the Council's role of buying both rented and owner-occupied houses; it now owns 20 per cent of all the houses to be retained.





# URBAN RENEWAL

## KNOW THE FACTS No.11 GETTING THE JOB DONE.

Improving a house with the aid of a grant is arguably one of the most complicated jobs carried out by local authorities; it involves more paper work and is more difficult than building a new house, school or road. A survey carried out by the National Building Agency and published in July 1979 discovered that many officials concerned with the administration of Renovation Grants admitted that they did not know how to interpret the mass of overlapping and often conflicting legislation, circulars and directives which have been issued by Whitehall over the last 10 years.

Renovation Grants are only given for improvement work which the Council consider need doing and which are eligible for a grant according to the government's regulations. To be eligible a house must:—

- have a Rateable Value of less than £225 (£175 until August 1977) unless it is a rented or partially rented house in which cases different Rateable Value limits apply.

- be built before 1961

- not have had a grant approved on it (even if none of the grant was paid) during the previous 2 years.

and the owner must:—

- own a lease of longer than 5 years

- have owned it at least a year if it was previously rented

- not be a direct relative of the occupier e.g. son, mother etc.

- sign an agreement that he/she understands the grant might be repayable if the house is sold within 5 years

These regulations, especially the Rateable Value limits, prevent many houses from being improved and deter many owners from applying for a grant. For those that do apply the first step is to contact the local Health Inspector who will look over the house and draw up a Schedule of Works. This may or may not conform with what the owner actually wants to improve; in fact it will usually be a much longer list than expected. This is because the Council is expected to guarantee a 30 year life with each Improvement Grant (15 years for an Intermediate Grant). Most health inspectors

expect everything to need renovating for 30 years life and few houses, especially in an HAA where existing standards are low, escape with less than 30 separate items of repair or improvement.

Paradoxically some items of repair may be excluded from the list because only 50% of an Improvement Grant may be spent on "repairs" as distinct from "improvements". Roof insulation is also excluded from an Improvement Grant, even though it is a compulsory improvement when replacing a roof. There is a separate grant system for roof insulation. Having received the Schedule of Works the owner must find a builder to provide an estimate. Some Councils insist on 2 estimates, but in Birmingham owners are lucky if they can get one. The estimate is then sent back to the Health Inspector, who checks its reasonableness and accuracy and submits it the appropriate Committee of the Council for approval. The owner must also produce the deeds to the house to prove he/she owns it.

Once approved, work can begin — in theory. In practice it is often necessary to get building regulation — and in some cases — planning approvals from quite separate departments of the Council. This also involves getting someone to draw up plans. Paying for the work also begins to cause problems at this stage. Some builders will want a down payment. Some owners may need to borrow money for which deeds have to be produced again, valuers organised and information received from one department of the Council filled in on forms and sent to another.

Approximately 6 months after the health inspector's first visit, work begins. Lucky house owners get their houses improved in about 2 months and the builder paid by the end of the following month. But, in practice, builders are usually slower than they promise, especially at the end of the job. Disputes about unsatisfactory work involving either the owner, the building inspector or the health inspector can prolong the work for over a year. Some £5000 Improvement Grant jobs in Birmingham have taken longer to complete than the construction of the entire National Exhibition Centre, costing £19 millions.

blocks containing mainly owner-occupiers submitted similar declarations, which were also approved.

But before any improvement work could get underway, everything had to stop. The new 1974 Housing Act involved everyone in the exercise of getting the Housing Action Area declared. Residents carried out the Social Survey required by the Department of Environment on behalf of the Council, in order to speed things up. Even so vital months passed while building prices rocketed. By the time the Housing Action Area was approved in March 1975 the benefits of an increased grant (75 per cent of the maximum of £3,200 of improvement expenditure compared with a previous 50 per cent grant) had been almost eroded away by inflation. Already residents were receiving builders' estimates in excess of £3,200.

Unfortunately, by March 1975, the Urban Renewal Department was still unprepared for organising improvements. The local Urban Renewal Team had no one specifically to work on Havelock HAA and the MDT had yet to make any attempt to streamline the Council's complicated grant and loan system. In George Arthur Road the Residents' Action Group had briefed their own architect, Rod Hackney, to co-ordinate street improvements. CDP hired an architect for Havelock Road to carry out the same kind of work. He prepared schemes for three blocks of houses, two of which were started in the autumn of 1975. One of those, numbers 43-51, a physically separate block improved in the mock Georgian style preferred by local residents, subsequently became a favourite backcloth for political photographs during the Stechford by-election in March 1977.

The eight residents who started improvements in Havelock Road in 1975 were all freeholders and only one had a substantial outstanding mortgage. His estimate came to £3,750; he received a grant of £2,400 and required a loan for £1,350. The Estates Department sent someone to value the house and for the first time since the January 1974 public meeting the economic dilemma of Urban Renewal leapt into focus again.

The Estates Department official considered the house even after improvements was worth less than the money being spent on it! After deducting the outstanding mortgage from the Council's valuation there was less than £1,350 left. The Council could not make a loan to the owner because it could not expect to get its money back if the owner defaulted. This is known as an 'equity problem'. The house, after improvement to Urban Renewal standards, was a financial liability. Since the builder had already started on the improvement work, something had to be done. Quietly the Council adjusted its system, as it was forced to do several times during the next two years. The Estates Department revalued the property, which on a second inspection turned out to have gained rapidly in value.

At the time, this example was greeted as a bizarre mistake, but now this sort of depressing economic equation is commonplace. Everything pivots on the price of houses. Prices are determined by people's ability to repay the money they have to borrow to buy the house. But first of all they have to find an organisation with money to lend. As a result when the lending ability of banks and building societies is low, prices stabilise or even decline. When it is high, they spiral.

But within the market there are grades of houses and grades of wage-earners. If the cycle of buying and selling is to be maintained — and especially if it is to be expanded — then the cheapest houses have to be available to the lowest wage earners. So houses in Saltley in 1975, even freehold, could not rise above £3,500-£4,000 without putting them out of the range of the sort of people expected to live there.

Even 'out of range of' is however, a relative term. Reputable lending organisations, like building societies or the City Council, themselves determine how much a borrower can reasonably pay each week. This is sometimes disputed by desperate home seekers who feel they can afford more. But the calculations are based on long experience. Too many borrowers who take on 'unreasonable' repayments finish up defaulting. The apparent humanity of the lending institutions

is in fact based on hard commercial practice.

But banks and finance companies have less scruples and this lets them into the inner city lending market in a big way as a survey carried out by CDP in September 1974 revealed. This survey was of course undertaken after the property boom had ended and the market was in a state of collapse. The clearing banks withdrew rapidly because of new credit controls and from 1974 onwards the position deteriorated. Because of the public expenditure cuts the local authority was forced to stop lending until April 1976. The building societies were asked to take their place. But the societies did not change their lending practices and red lining of the inner city areas continued. This means that the finance companies and shady estate agents were given an open field until Council and clearing bank lending resumed in 1977.

The fringe banks and finance companies are among the biggest rogues of all in the vicious exploitation of poor people's housing needs. They lend at high interest rates and make sure their customers are trapped for as long as possible in their debt. They insert redemption clauses that make it impossible or extremely expensive to pay them off in a lump sum. There are no respites if you are sick or unemployed. Lack of payment for even a few weeks incurs bigger debts by the day.

There are people in Saltley who took on Julian Hodge mortgages during the credit bonanza of 1971-74 who now owe a lot more than they first borrowed: yet they only missed a few payments due to temporary unemployment.

Some of these companies are well known household names, such as Julian Hodge, the Welsh banker and friend of former premier Jim Callaghan, and Cedar Holdings, the fringe bank which went bust in 1974 which was owned by the Miners' Pension Fund, Electricity Supply Pension Fund, Unilever Pension Fund and Phoenix Insurance Company. Others are small time local estate agents who were once landlords, now milking the last penny out of their properties by "converting" to owner-occupation,

such as C.J. Melhuish and F. Yorke Brookes. Their favourite scheme was to give rental purchase mortgages, where the house deal is not transferred legally to the occupier until the last payments have been made. The occupier is not an owner, but neither are they tenants. It is in effect a scheme to evade the Rent Acts<sup>2</sup>.

These companies charge in advance for the likely cost of repossession. They even seem to trade in the expectation that they will be able to repossess. C.J. Melhuish once told Mr and Mrs. M. (see page 18) that they should cut their losses and moonlight. The net effect is to penalise the wage earner for wanting or having to be an owner-occupier. On average he pays a bigger proportion of his income on housing than do those who get on to the building societies' books.

The credit agreements are rarely for a fixed period. They are designed to stretch on and on. The worst and most exploitative, like that of Mr and Mrs M's, are likely to extend beyond the length of the lease. Many extend beyond the expected life of the house. Mr A the owner-occupier in Havelock Road with the equity problem referred to earlier was a victim of this system. His outstanding mortgage was with the Constant Finance Company. The interest rate was 23.92 per cent and will take 25 years to pay off. Had the Council demolished the house in 1978 — which was the alternative to improving it in 1974 — nearly all of his compensation would have gone to fulfill his agreement with the finance company. His investment of £31.33 per month in the property since 1973 would have been virtually worthless because nearly all of it was creamed off as interest payments.

Mr A. was relatively lucky. By taking advantage of the improvement grant, when it represented a significant proportion of costs, his house (which had several serious structural faults) is improved to a reasonable standard and his debt burden is just about manageable. Today the same

2. See Shutt J. and Stewart A. "Rental Purchase Mortgages in Birmingham. Another way of Evading the Rent Acts?" *New Law Journal* February 26th 1976.

work would probably cost about £8,000 and he would have to borrow at least £2,000 more to carry out the work. His weekly debt repayments would have risen sharply or — more likely — been stretched over the rest of his working life. Even so at no time has the market value of his house equalled the price he paid for it plus the cost of the improvements. And he is still going to pay a lot more than is

normal to Constant Finance because of the high interest rate which has been fixed until the end of the repayment period i.e. 1998.

He was also lucky with the Council's system. Later on, in 1976, when the City Solicitor had had time to read all the small print in the 1974 Housing Act, his equity problem would have got worse. The solicitors made two rulings, the first of which would have

effected Mr A. to the extent of preventing him from getting a Council loan of any kind. These were:—

- 1 As the grant might be repayable if the owner-occupier sold his house within five years of receiving it, then the amount of grant received also had to be deducted from the market valuation before deciding the size of the loan.

## THE CASE OF Mr. & Mrs. M

Mr and Mrs M, after 30 years of married life in local authority and rented flats, decided, in 1970 to buy their own house. Mr M only had a low paid job as a storeman and no savings, so that they had to look for something cheap and with easy repayment terms.

An advert by C.J. Melhuish, Life Assurance and Mortgage Brokers of Stephenson Street in the city centre, attracted their attention. When they visited his office, Mr. Melhuish was most helpful and eventually they decided to buy one of his houses on offer between Saltley and Small Heath. The terms seemed very reasonable; the house cost £2,350 but the deposit was only £50 and monthly repayments were £28, to be collected by Mr Melhuish himself. The house was already empty, being owned by a man in London, and they could move in very quickly. As they had no solicitor Mr Melhuish agreed to look after the legal side for them.

In August they paid £30 of the deposit and on 18th September went to Mr Melhuish's office to pay the remaining £20. He then took them to the solicitors — Davies, Arnold and Barritt where they paid costs of 7 guineas, signed the necessary documents and collected the key to their new home.

In October 1970 the solicitors sent a copy of the agreement which they had signed on 18th September. But it was not until August 1976, when CDP took legal advice on their behalf that Mr and Mrs M discovered they were not in fact the owners of their home. The owners were still Fourbro Properties (Ilford) Ltd, (who had "sold" it to them in 1970), a small company owned by the four Lipson brothers who lived in London. The name of this company appeared on their Mortgage Repayment Book.

But Mr and Mrs M were not paying a mortgage in the normal sense of the word. The document they held was a Rental Purchase Agreement. It provided for them to own the house only *after* they paid off all the purchase price and interest payments; in the meantime they were only licensees. The document mentioned that the house was leasehold "with a title of not less than 20 years," but it did not specify when payments would end and they could become the legal owners.

However, it did state that there was a

7.5 per cent collecting commission (payable by Mr and Mrs M for the privilege of having Mr Melhuish collect the £28 each month) and the cost of insurance. As interest charges starting 18.9.70 totalled £299, the collecting commission came to £23.10 and insurance was £2.50, after one year they owed Fourbro £324.60. But as they were paying a month in arrears and Mr Melhuish did not collect until the 25th of the month, on 18.9.71 they could only offset against this, eleven instalments of £28 — a total of £308. As a result after one year's regular payments they owed *more* than when they had moved in.

Even over a full 12 months they could only pay off just over £5. Later when it was known that Fourbro's lease would expire in 1997, it became evident that Mr and Mrs M could never become the legal owners of their house. The instalment scheme was arranged so that this was impossible. By 1997 they would still owe Fourbro's about £1,500, but as licensees become liable to eviction from the freeholders. In fact because they had missed just one instalment in six years, by July 1976 they still owed £2316.95 and were worse off than in 1970.

Mr and Mrs M were of course extremely upset to find they were not owners of their house, but licensees. They were in fact, less secure than when they had been tenants because the agreement they had signed managed to evade the provisions of the Rent Act. They could not sue their solicitors because Davies, Arnold and Barritt had not really acted for them — they only collected £7 in "costs". They could attempt to sue Mr Melhuish for deceiving them but in any court case it would boil down to who had said what six years earlier.

The were even more annoyed when they realised that the several hundreds of pounds spent improving the house had in effect gone straight to Fourbro Properties. Now the house needed several major repairs but it seemed pointless to spend more on what could never be theirs; yet under the terms of the agreement Fourbro had no responsibility for repairs.

They were advised of three possible courses of action. They could pay off the outstanding debt. This was out of the question as Mr M had a disabling heart attack in 1974 and now they lived solely on their

Social Security benefit. Secondly, they could ask to become weekly tenants; this would cost nothing and they would no longer be liable for repairs. Thirdly they could ask the council to buy out their agreement on hardship grounds — so that they would become council tenants. As this third option provided better security, more chance the repairs would actually get done and the possibility of a transfer later on, they decided to approach the Council before considering the second alternative.

In September 1976, the City Housing Department confirmed that the couple came within the scope of the scheme under which they purchased houses in the inner areas. In December a valuer at last visited the house but the Housing Committee did not consider the purchase until April 1977. This was because the money allocated by central government to Birmingham council for municipalisation was far less than required. Demand had been stepped up because in 1974 and 1975 Urban Renewal had encouraged "non improvers" to sell their houses to the council. Many people were only getting round to doing so *after* the government had imposed limits on funds for municipalisation.

This left the council in an impossible position, and during 1976/77 the Housing Department first of all closed the door on new applications and then got down to prioritising the ones that were already in. Hence the long delay.

Meanwhile, the stress and insecurity of their situation was beginning to affect Mr and Mrs M and led to a series of violent rows. Mrs M became very depressed and eventually hysterical. During April 1977 she was sent to a mental hospital where she was given electric shock and drug treatment for six months. The same afternoon she was admitted to hospital, the Housing Committee were forced to decide Mr and Mrs M were not a priority. The second largest housing authority in the country, with a turnover of millions, were obliged to get government permission to spend the £2,300 needed to buy out their interest. This permission could not be obtained and Mr and Mrs M had to spend a further agonising six months negotiating with Melhuish and the Lipson brothers to achieve the status of weekly tenants, which they thought they had left behind in 1970.

2 The improvement loan could not be given without knowing the amount of loan which would be required for the acquisition of the freehold.

The two had to be considered at the same time, if appropriate.

In doing so, the solicitors virtually eliminated the possibility of any new or young owner-occupiers getting a Council loan for improvement in a Housing Action Area and General Improvement Area. They also immediately stopped the leaseholders who were trying to buy their freeholds with a loan from completing the purchase and sorting the improvements out later. The two had to be done together and this only served to increase the 'equity problem'.

The solicitor's interpretation of the 1974 Housing Act held up and prevented a lot of improvements. The situation became so serious that the Urban Renewal Sub-Committee decided to ignore the City Solicitor's advice. Once again the Council's system had to be adjusted in order to avoid the legal and economic constraints imposed on working class owner-occupiers and preventing them from improving their houses. Later the City Solicitor's opinion was in fact confirmed when the Government issued a circular (38/77) formally allowing councils to disregard the working of the Act, if they felt justified in doing so.

By the end of 1975 the Urban Renewal's Agency Scheme was in operation and CDP withdrew from an active role in the Improvement Programme, leaving the job of organising improvements to the Urban Renewal Project Team. During November and December, the owner of numbers 48 and 50 Wright Road, two adjoining houses recently improved, allowed the Team to use the empty one as a show house. This helped to establish the presence of the Urban Renewal Team Workers in the area. Unfortunately, in the previous month the Housing Department had also opened a Show House further along Havelock Road but about 100 yards outside the Housing Action Area. It was widely advertised, but could offer nothing to owner-occupiers except a look round a recently improved house. The Housing Department staff who

manned it knew absolutely nothing about the area, yet the Urban Renewal staff were not even asked to help. This was just a small example of the lack of coordination which existed between the two departments in 1975. The situation improved considerably in 1976, with a Housing Assistant transferred to the Urban Renewal Team.

The Improvement Agency did not find it easy going, especially in Saltley. It was hampered by its own bureau-

cracy, but most of all because of a lack of understanding of the real problems which were preventing owner-occupiers from improving. To make the Agency work it required owner-occupiers ready to improve in blocks. In Saltley, owner-occupiers were wanting to purchase their freeholds, they were unemployed, they were pensioners or they were waiting for the Council to buy their house and rehouse them. Few blocks of more than two houses could be found.

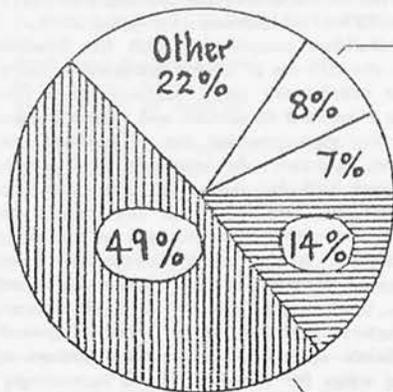
## FINANCE FOR NEW OWNER OCCUPATION IN SALTLEY 72-74

The last Tory government not only caused house prices to rocket out of control, but the 1971-74 property boom also contributed to rich pickings for their friends. Easy money following the Tory Competition and Credit Control policy of 1971 allowed the clearing banks into the housing market so that by 1974 they had more than a half share of new lending in Saltley. They paid less attention to valuation, were less concerned about a buyer's income-outlay ratio, but usually asked for a substantial deposit, which Asian clients were generally able to find. Consequently house prices increased substantially beyond the valuations of the local authority which became a minority lender. A minority of prospective buyers had made independent contact with the banks, but increasingly the financial arrangements were controlled by Estate Agents who introduced them to particular branch managers and refused to entertain traditional sources of finance. The Local Authority was, anyway, long-winded and likely to refuse a loan because their valuation was now considerably below the purchase price. The banks could fix it up in a week. Prospective sellers could either accept a low exchange value with a traditional agent referring buyers to traditional local authority funds, or they could sometimes double the price by placing it with the entrepreneurial agent. Mostly they chose the latter because in order to move, they in turn had to pay the higher range of prices. Sellers therefore depended on the agent to

arrange everything, because only he would orchestrate buyer and financier.

Estate agents, then, shaped the market, acting as agents for the seller and brokers for the buyer. Their commission for the first appears to have been normal 2% of exchange value, and on the second undisclosed payments of £50-£100. Their working partners, the branch managers, may or may not have received cash. It was against Bank regulations, but buyers appear to have accepted it as a fact of life, and Barclays certainly were making internal enquiries about this practice during 1974. Their second set of partners, the solicitors, generally made about £100 out of both buyer and seller. Most working class people do not have a family solicitor. Agents therefore developed a working arrangement with two solicitors who were allocated to a succession of buyers and sellers. In a sense they were almost retained by the agent, and certainly from CDP evidence appear to have acted in his interest rather than for their nominal client.

This was the arrangement which dominated transactions between 1972 and 1974. At the beginning of this period when house prices were geared to traditional lending limits, the estate agent could make an additional capital gain of about £1000 by buying the house himself from the owner-occupier and then reselling it at the substantially higher price created by bank finance.



1. Corporation (Interest 11%)
2. Building Societies (Interest 11%)
3. Fringe Banks (Interest 17-28%)
4. Clearing Banks (Interest 16-18%)

By the end of 1975, some of the bigger improvement schemes were being estimated at more than £4,000 which meant a personal outlay of at least £2,600. The majority of owners could not afford it. The Agency could not hope to undercut these costs by much. In practice it could not be specific at all because estimates could not be made until enough owners had joined the scheme. Residents were presented with glossy brochures by the Agency Officers full of architectural illustrations and plans, when what they wanted to know first was how much their particular house might cost and how they could raise the money to pay for it. Urban Renewal is not just a technical exercise, but the officials who worked in the Agency saw it as such and hid behind the mystique of their own plans.

The Agency undertook the improvement of two blocks of properties on the corner of Havelock and Wright Roads and there was talk of tackling two further blocks in Phillimore and George Arthur Roads. The ones in Havelock Road, numbers

91-107, consisted of nine houses; in Wright Road, numbers 2-24, consisted of twelve houses. Of these, three were owned by the Council (including 16 Wright Road) and one by Copec Housing Trust. But the Agency could not even get the co-operation of these two institutional owners, who both improved to different styles and standards. The Agency interested a few people in the remaining houses, but nothing ever came of this work because of poor support for the scheme among contractors. After the May 1976 election, the incoming Conservative Council scrapped the scheme and replaced it with the House Improvement Service.

In Havelock Road and Wright Road, owner-occupiers continued to improve their houses despite the demise of the Agency, using whatever builders they could find and by cutting out some of the work the Council wanted them to do. On several of these later schemes, as in George Arthur Road, there was trouble with the builders over the quality of the work. Altogether, by August 1977,

out of 73 owner-occupied houses in Havelock and Wright Roads only 48 were improved to the 10 point standard. But only about 30 of these had actually received an improvement grant. Halfway through the Housing Action Area five year period, there was still a long way to go. Even this level of success had only been achieved by the patience, persistence and adaptability of the Urban Renewal Team, helped by the fact that the houses are nearly all freehold, and, being slightly smaller than average, a bit cheaper to improve.

## Phillimore Road

Owner-occupiers in Phillimore Road also had a reasonable rate of improvement, but there were more problems and expense because of short leaseholds and the quality of improvement work done. Like Havelock, Phillimore Road was owned by Henry Wright, but the houses there did not get built until 40 years later. In 1890 Joseph Turton Wright took over the affairs of his ailing uncle and began developing Phillimore Road. He used the same system, common throughout the area, of leasing blocks to local builders. The first of these were leased in June 1897 and the houses were all built by 1899.

In 1975 when the Housing Action Area was first declared, Phillimore Road properties had the longest leases in the area. On average they had 23 years left to run, compared with less than 17 years in the majority of houses in George Arthur Road. In addition some of the property companies which had bought the freeholds in 1936 when the Wrights sold out had renewed the leases in the 1960s; some houses had been given new 60-year leases. For example, the block numbered 29-39 had 50 years unexpired in 1975. Another significant feature was the wide range of property companies which owned freeholds in Phillimore Road. More than seven companies had interests in the street, compared to George Arthur Road, which was completely owned by London City and Westcliff Properties Ltd.

The fact that houses had longer leases meant that owner-occupiers

## THE AGENCY SCHEME

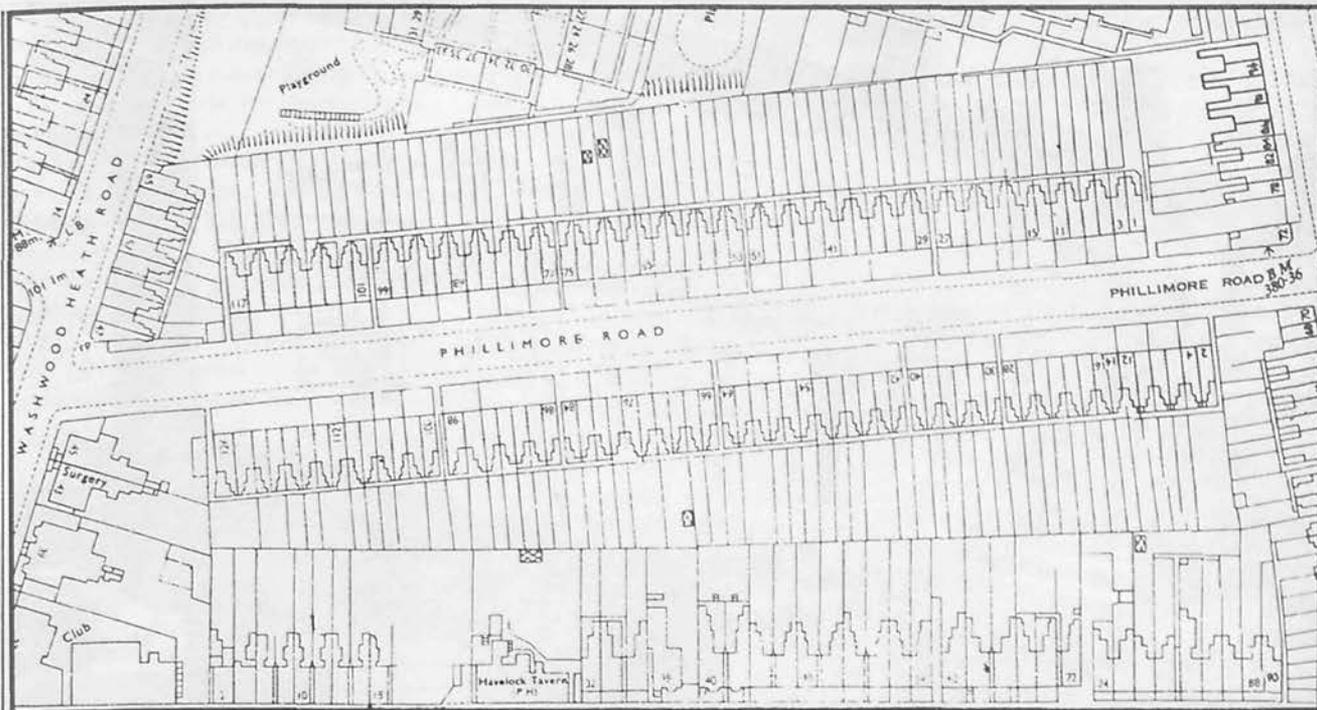
The problems of organising home improvements and finding a satisfactory builder were well known to Urban Renewal officials even before the HAA was declared and during 1974 the powers of the local authority to set up an Agency Scheme under Section 75 of the 1969 Housing Act were investigated. Despite strong opposition from several chief officers, in December 1974 the Urban Renewal Sub Committee approved the establishment of an Agency Scheme which could, "work with complete flexibility using both small and large contractors in direct contract with the Authority and with the resources of departments behind the Agency."

This meant in effect a high degree of Council control over specifications, standards and workmanship through the Architects Department who were to design each improvement scheme contract, tender and supervise it. During 1975 Agency Officers with "building qualifications and experience" were appointed to organise contracts for owners who wanted to improve. It was hoped that block contracts would minimise overheads both for the Agency and the contractor and this would help keep costs low. The cost to residents was 10% of the value of the work but this fee could be included in the costs covered by the Improvement Grant. The Agency Scheme ran into a lot of teething problems, largely because the Building Finance and Architects Departments never managed

to adapt their professional world to the costs versus standards dilemma that is the reality of Urban Renewal. Before the Agency was properly established the incoming Tory Council closed it down in May 1976 and replaced it with the House Improvement Service (HIS).

HIS is based entirely in the Urban Renewal Section and concentrates on cutting out the paperwork for individual owners and organising a Small Works contract between the owner and a builder, which the HIS officer supervises. There are no block schemes, no architects plans and specifications, no contractual involvement by the Council and — as a result — no real threat to the small local builders who carry out 95% of all Improvement Grant work.

Builders cooperating with the Council on the HIS are of course expected to carry out satisfactory work. However even this has been hard to achieve and several purges of the recommended list of builders has been necessary. At least one legal action against HIS for inadequate supervision is underway. The failure of the Council to find any satisfactory method of achieving individual house improvements has been a major impetus for the campaign launched by Community Forum in 1979 against Cowboy Builders. Many Urban Renewal officials agree that the present system is bad value for money and are increasingly pinning their hopes on "envelope" schemes like Operation Facelift.



were more willing to proceed with improvements at an early stage. Even so a number were not, especially those with only 23 years left. They approached CDP for help after the Dennis Fell Group of Companies had offered some people their freehold at £500 for a 23 year lease.

A leaseholder's group was formed which had 35 members and began negotiations with all the freeholders in the street. After the first three months the group ran up against all the usual problems identified by CDP3.

1. Invariably all the property companies asked for more than the freeholds were worth. Yorke-Brookes & Co., who owned block 58-54, refused even to reply to the leaseholders and the Leasehold Reform Act procedures had to be invoked in order to get a response.

2. The problem of intermediary leaseholders, who wanted £50-£100 for an interest worth £10 at the most.

3. The high legal costs involved. Not only do leaseholders have to pay their own legal costs but they must pay the freeholder's legal costs and intermediaries' legal costs as well. So that in the end, residents sometimes pay more

3. For a more detailed explanation of the problem, see "Leasehold Loopholes" Birmingham CDP Report No.5.

IN ANY FURTHER COMMUNICATIONS  
PLEASE QUOTE THIS REFERENCE NO.

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Mr. J.  
Highfield Road  
Saltley  
Birmingham.

WEST BROMWICH B70

V.A.T. Reg. No. 276 84E

9th January 1978

Purchase of Freehold, Headleasehold and Underleasehold Interests in Highfield Road, Saltley, Birmingham

	VAT @ 5%			
Paid Freehold purchase price		250	00	
Paid Freeholders Solicitors costs		41	58	
Paid Freeholders mortgagees costs		8	64	
Paid Freeholders Agents costs		27	00	
Proportion of Freehold ground rent due to the date of completion		1	72	
Paid Headleasehold purchase price		30	00	
Paid Headleasehold Solicitors costs		18	47	
Paid Underleasehold purchase price		40	00	
Paid Underleaseholders Solicitors and agents costs		45	74	
Paid Land Registry fees		13	70	
Paid search fees		2	00	
By cash you on account				454 57
To our legal charges re: Freehold	2	00	25	00
To our legal charges re: Headleasehold	1	20	15	00
To our legal charges re: Underleasehold	1	20	15	00
	4	40	533	85
Add VAT			4	40
			538	25
Deduct receipts			454	57
Balance now due from you			83	68

A simple freehold purchase can be transformed into a substantial bill after all the estate agents and solicitors are paid off. Their fees add up to more than the cost of the freehold.



Pepper pot improvements in Phillimore Road. Picture: GASP

in legal fees than they do for the freehold itself.

The cost of buying the freeholds was out of the reach of many of the residents, so at an early stage in the life of the Phillimore Road group, a meeting was arranged between local councillors and residents, in order to discuss the possibility of the Council placing a compulsory purchase order on the outstanding freeholds. The councillor who attended the meeting did not seem to realise the significance of leasehold to the success of Urban Renewal. As a council tenant himself, he had not much experience of owner-occupation. Despite making the usual statements and promises, he never re-appeared at any subsequent meetings, preferring to leave it up to "the professionals" instead.

The Urban Renewal Team accepted the case for compulsory purchase but insisted on including it within the Section 43 C.P.O. then undergoing preparation (see page 27). So CDP and the Leasehold Group plodded on,

using the procedures laid down in the Leasehold Reform Act, trying to make them work.

Settlements were first reached with Collins Sons & Harvey at £300 for a 21-year lease on numbers 76 and 78, in July 1975. Their original asking price had been £450. Further settlements were made throughout 1975 and 1976. Eventually, the Denis Fell Group of Companies which owned most freeholds agreed at £325 for a 21-year lease. Several residents, purchased, ending up with a final bill of £420 in 1976.

At this point the realisation came for owner-occupiers that improvement and Urban Renewal was an expensive exercise and that the costs of purchasing the freehold together with the improvement costs were often beyond them. Already some residents had had to drop out of the Leasehold Group because they could not afford to proceed. Loans were not available to everyone. As the City Treasurer told one unemployed resident in

1975, "there are reservations about making advances where applicants are not currently gainfully employed". In 1976 the City Treasurer was estimated to be refusing about 20 per cent of all loan applications for improvements and freehold purchase.

The most difficult freeholders in the street were proved to be two local estate agents. Arthur Wood from Alum Rock Road wanted £300 for the freehold of number 11 Phillimore Road, which had a renewed lease with 47 years unexpired. A fair price, according to Lands Tribunal formulae, was £140. Negotiations started in June 1975. A Leasehold Reform Act notice was served in December 1975. The procedures laid down in the Act were followed and a valuer instructed to prepare the case for the Lands Tribunal. Such are the weaknesses of the Leasehold Reform Act that it took CDP until September 1976 to make Arthur Wood offer reasonable terms. Eventually he settled on a price of £150.

The block which began to highlight the problems and contradictions of owner-occupation most of all however, was numbers 58-64 Phillimore Road, all occupied by old age pensioners. The freehold was owned by Frederick Yorke-Brookes, based in Erdington, who controlled 40 small property companies. One of his companies, the Alum Rock Property Company, purchased the houses and the freeholds, tenanted in December 1954 for £1,012 from local builder, Samuel Bryant: four houses for £253 each.

By 1955 Yorke-Brookes had begun to buy tenanted houses in order to sell them to owner-occupiers at a profit. He sold to sitting tenants, if it was not possible to obtain vacant possession. Number 58, 60 and 64 were sold in July, August and October 1955 as leasehold houses to the existing occupiers for £325 each. Number 62 was sold with vacant possession to new Irish immigrants Mr and Mrs B for £925, also leasehold. On the sale alone of these four houses Yorke-Brookes made a profit of £888 — almost 90 per cent. On top of this he collected a weekly rent for most of 1955 on three of the houses and arranged for a continuing ground rent of £5 to be paid on all of them for every year until 1996. At that date, if still alive, he would gain complete ownership of the houses once again, subject to the occupant's weekly tenancy. All the residents had a mortgage "arranged" by Yorke-Brookes with the Birmingham Building Society. More than 20 years later, when the Housing Action Area was declared, the owners of number 62 were still paying off their original loan at £6.20 per month.

By 1975, there was still 21 years left on the leases. In the previous 20 years the owner-occupiers had already spent a considerable amount on improvements, although one still did not have a bathroom and inside toilet. Before they embarked on further improvements they wanted to make sure that they owned the freeholds. Negotiations started with Yorke-Brookes in 1975. He refused to sell the freehold interests and so CDP had to start the long, drawn-out procedures laid down in the Leasehold Reform Act. Claim forms were

served in June 1975, but it was April 1976 before all the legal documentation had been completed and the Leasehold Group's valuer reported that he had negotiated the following prices:

No.58 —	£410
60 —	£400
62 —	£350
64 —	£400

Neither CDP or the residents involved found these figures acceptable, especially after the cheaper settlements elsewhere in the street, so another valuer was instructed and the negotiations started again. In July 1976 the second valuer reported: "It appears that the freeholder here is unwilling to do very much, but we still take the view that he will not wish to go to the Lands Tribunal. It seems that we shall have to play this out, with all the waste of letters to and fro, but there really is no choice and we will let you know the outcome as soon as possible."

In October 1976 the freeholder reduced their offer to:

No.58 —	£300
60 —	£330
62 —	£300
64 —	£330

Eventually this was reduced further to £305 per house in November 1976.

This exercise took two years to complete. At the end of it all, Yorke-Brookes gained a further £1,220. Whilst individual residents were faced with final bills including legal fees of £390-£400.

Having sorted out the freehold position, improvements could at last commence. But it was at that point that problems really began. The owner-occupiers had estimates of between £3,000 and £4,000 for their improvement works. Luckily, some were able to raise the necessary finance from generous relatives. Others delved into their small savings accumulated over a lifetime, supposedly to enable retirement to be enjoyed. Luckily too, the City Council gives maturity loans to pensioners to improve their properties and buy the freehold, if required. A maturity loan means that you only pay back the interest whilst you are alive. The payment of the original capital is

deferred until you die, or the house is sold.

The improvement of number 62, owned by Mr and Mrs B now retired, needed a maturity loan. The estimate for improving the property was £3,620. Since pensioners get a 90 per cent grant of £2,880, this left them with £740 to pay themselves. They applied for a maturity loan from the City Treasurer's Department, at the same time applying for a £400 freehold mortgage, which was dealt with by the Housing Department. A total borrowing requirement of £1,140.

They still had the first mortgage with Birmingham Citizens of £6.20 per month. Back came the reply from the City Treasurer that it was not the Council's policy to grant three mortgages on the property. Eventually after much pressure from CDP and Urban Renewal, the City Treasurer and the Housing Department revised their established policy and approved both loans. Once again it was shown that without doing so the Urban Renewal policy just would not work.

So the work started, and the builder did a standard job. Subsequently they have had to be fetched back three times to mend the leaking roof. Whilst the improvements were being undertaken Mr B. died leaving his wife to pay off their two maturity loans which amount to £10 per month and the building society mortgage which brings the total up to £16.20 per month. This was equivalent to her entire pension for a week. Luckily, she is eligible for a supplementary pension and so will not be out of pocket.

This example, however, explodes some of the myths about owner-occupation. Firstly, in working class areas it does not provide the old at the end of their working life with financial security. After working hard the pensioners in this block in Phillimore Road have spent all their savings (if they had any) on improving their property. They have been forced to take on further debts, which will only be paid off by their relatives when they die. Even this has only been made possible by State subsidies in the form of grants and maturity loans, which take a large and costly local bureaucracy to administer.



Secondly, it explodes the myth that owner-occupation allows people to accumulate assets. This is not true in areas like Saltley. After spending £4,000 Mrs B, had a house worth no more than £5,000. A valuation carried out by private valuers on a freehold house only a few doors from 62 Phillimore Road in December 1977 was only £4,000 after improvements. In any case £1,140 of any future sale price must be returned to the Birmingham City Council under the terms of the maturity loan. Of course, assuming continued inflation the value of the house will rise. But there will be the need for continued investment in the form of maintenance (also at inflated prices). In any case the money spent on purchasing and improving the house since 1955 would have yielded more if invested wisely in government stocks.

Thirdly, it explodes the myth that owner-occupation provides mobility and choice. After paying off the maturity loans and mortgage and taking into account solicitor's and estate agent's fees, Mrs B. — if she sold up — would only have enough money to buy another unimproved house in another inner city area. She could not borrow any money to buy a better house as maturity loans are not available on the purchase of new homes. She is stuck in Phillimore Road —

unless of course she sells to the Council in exchange for a flat or old person's bungalow.

Younger owner-occupiers in Phillimore Road have run into the same sort of difficulties. Mr C. obtained an estimate in November 1974 for £3,100 and a grant of £2,050 was approved. He had savings of £350 and wanted to borrow £700. Subsequently when the freehold costs (£400) became known, he realised he required more. The work started late in 1975, but in December he found that his improvement plans had not been passed. The Building Inspector ordered work to stop on his new porch and it did not start again until March. The job was not completed until June 1976. By this time the final bill came to £3,800. Urban Renewal helped out by increasing his grant to £2,400 so his total financial commitment, including freehold purchase was £1,800.

Mr C's application for £700 had taken the City Council from October 1975 to February 1976 to process. But by summer he could not afford to wait another four months for an increased loan application to be approved, as the builders were already suing him for the remaining £700. So he took what seemed the only way out, applied for a Secure Homes Loan to pay off the builder and forgot about buying his freehold for the time

being. With two mortgages already and a fringe bank loan, Mr C. is up to his neck in debt. He still does not own the freehold and if the house is put on the market it will not realise the amount he requires to pay off the debts and rehouse himself and his family at a decent standard.

In August 1977 out of the 87 owner-occupiers in Phillimore Road, 54 were classified by Urban Renewal as being improved to a 10 point standard; about 40 had received improvement grants. However, in reality only a handful of these had a 30-year life. The quality of owner-occupied improvements in this road was abysmal. Roofs were sagging because they had not been properly strengthened, ridge tiles were uncemented, gutters and downpipes dangled in mid-air, spilling rainwater over the new but not very durable rendering.

Behind the houses the clutter of broken down fences lay untouched and the large number of unimproved 1960s extensions indicated that most of the money had gone on repairs not new improvements. Many of these old extensions have just a single, nine inch wall of bricks and an asbestos roof. Condensation and penetrating damp were already a serious problem when the HAA was declared. Thirty months later the problem was being concealed, not removed.

## George Arthur Road

It was in George Arthur Road, however, where owner-occupiers were in the worst position. Soon after the public meeting in January 1974, the George Arthur Road Action Committee met to discuss how residents could take more control of the Urban Renewal process which threatened to obliterate their street. Right from the start they were clear that one of the main problems was cost which they hoped to lower by self-help and independent control of the improvement standards.

The Action Group got in touch with Rod Hackney, a young architect living in Black Road, Macclesfield, who was making a name for himself with one of the community action success stories of the early seventies. Rod Hackney agreed to carry out a feasibility study of the improvement potential of the street and investigate the problems of standards. CDP agreed to pay his fees.

His work proved, perhaps inevitably, that the houses were worth improving. But not cheaply. The Council's initial inspections were found to omit items of repair, as often as they added the wrong ones in. There would be no change out of the maximum cost eligible for a grant — at that time £2,000. In September 1974 however, the Urban Renewal Sub-committee, still responding to the residents' initial antipathy to clearance, agreed to retain George Arthur Road, The Action Group began to investigate ways of cutting down the rapidly escalating costs.

In September 1974 the new Housing Act came in force and the grant ceiling was raised to £3,200 — which meant a cash grant of £2,400 in Housing Action Areas. The answer seemed to be — become a Housing Action Area. But the Group also remained interested in the idea of a locally based Building Co-op which could temporarily employ residents to work on their own houses as well as strip derelict houses in nearby Adderley Road for any reusable material.

In October 1974 CDP agreed to pay Rod Hackney until March 1975

# 'DO-IT-YOURSELF' SAVES A STREET

TERENCE BLOCKSIDE

FAMILIES in a Birmingham street are banding together in a "do-it-yourself" project to save their homes from demolition.

And, by hiring their labour to neighbours through a sub-contracting firm they will save themselves, they will earn enough money to offset some of the costs of improving their homes.

The families live in George Arthur Road and St. Saviour's Road, Saltley — earmarked for demolition by Birmingham Council.

Officials



to draw up full specifications for the houses to be improved. Subsequently a block-by-block programme was worked out. Rod Hackney employed an assistant architect to work specifically in George Arthur Road and approached the Housing Department for the use of one of their empty houses in the street as an office and later as a show house.

At the same time CDP also made a grant of £2,000 to fund some of the initial costs of setting up a building co-op in the street (George Arthur Road Building Co-op — GARCO). This would have a basic team of two workers and be ready to start on the first houses to be improved — anticipated to be early in 1975. In between GARCO expected to do small repair jobs and be responsible for the demolition work in Adderley Road.

The Action Group began to organise their request to the City Council to become a Housing Action Area and find out how to get the 34 rented houses into a Tenants Housing Association. A separate Leaseholders' Group was formed to organise the purchase of freeholds. It was the high point of community action in the street — probably in the whole of Birmingham. After October 1974 it was all downhill. By August 1977 there were only 22 out of 104 houses improved to a 10 point standard in George Arthur Road; nine of them were owned by a housing association (but not the one set up by tenants), one owned by a private landlord, two by the Council, and only ten by owner-occupiers.

The Action Group was defunct, like the building co-op. Rod Hackney's involvement in the street with owner-

occupiers was virtually finished, though he remained active in the area because of the large number of COPEC houses to improve. As elsewhere in the HAA, the failure to get more owner occupied houses improved, rested primarily on the leasehold problem and difficulties over loans and building costs. These problems lay beyond the scope of the community action which could be organised in one street.

George Arthur Road was owned by Lord Norton and formed part of his original Norton Estate. It was developed from the 1870s onwards. By the time the Housing Action Area was declared in 1975, the longest lease in the street was only 18 years unexpired and some, (a block of seven properties) had already expired in March 1974. The owner-occupiers had reverted back to being weekly tenants. The Norton family had retained control of the Norton Estate until 1961 when about 80 per cent of it was sold by auction to two large property companies.

George Arthur Road formed part of a 40-acre block bought for £80,000 by London City & Westcliff Properties Ltd., (also known as Lonwest). At that time it was envisaged that Saltley would be pulled down and Lonwest had long term plans for redevelopment. Indeed as late as 1973 they submitted the last of a series of outline planning applications for industrial and residential development but this like the previous ones, was refused.

From the start the company developed a policy of consolidating their ownership by buying out subsidiary landlords and served dilapidation orders on all their leasehold owner-

occupiers. This process required the leaseholders to bring property up to a standard laid down in the original lease. Residents were incensed and the Norton Residents' Association was formed to fight the dilapidation orders and to purchase the freeholds. By this time the 1967 Leasehold Reform Act had just been passed, and the company were trying hard to obstruct its operation in order to prevent their ownership being broken up.

Between 1967 and 1973, only one person owning a small corner shop out of the whole of the Norton Estate, comprised of 600 properties, managed to buy her freehold. This was achieved only after a Lands Tribunal hearing and considerable expense in terms of time and money. Few residents could afford to embark on such a course of action involving high legal costs. The Association was in danger of collapsing when CDP came into the area in 1973 and helped Norton Residents to reorganise. Using grants from its Social Action Fund and the administrative backing of its local office, CDP set up a series of test cases which were pushed towards the Lands Tribunal.

Eventually, after two years of pressure the company was forced to negotiate prices for individual freeholds on a street-by-street basis. In mid 1975 one of the first test cases bought his freehold and in November 1975 negotiations with Lonwest started on the George Arthur Road properties. It took until March 1976 to complete the first round of negotiations. Prices for 34 properties were agreed upon. Prices varied between £302 — £812, depending on the length of lease, the ground rent paid and the size of the plot of land to be sold. But these prices were only for those who had lived in their houses for more than five years. Those who had not and were not therefore eligible to purchase under the Leasehold Reform Act had to pay more. The extra amount depended on the time the occupier had held the lease.

Most leaseholders in George Arthur Road had one or two intermediary interests to buy out as well as the freehold interest; on average these interests cost £25. When the legal costs of about £150 are added to the bill, the



The first owner occupiers in George Arthur Road to improve their houses. Picture: GASP

final costs for all residents were between £500 and £1,000, depending on the length of lease. This expenditure had to be incurred even before improvements started. Leaseholders with leases of less than five years are not even eligible for improvement grants, while loans from the Council are not available to people with leases of less than ten years. As a result leaseholders with, for example, a 13½ year lease, have to pay back any loan within three-and-a-half years so as not to break the 10-year deadline. Most owner-occupiers in George Arthur Road needed loans to help them pay for their freehold as well as their share of the grant.

In fact, only eight residents out of the 34 did not require a loan to buy their freehold. One person, the only one in the street who happened to have a first mortgage with a building society, managed to secure a loan from that society. The rest had to turn to the City Council. Most of the mortgage applications were made in June 1976, and most of them became tangled in an amazing web of bureaucracy because the City solicitor ruled that because of the very short leases the leasehold loan requirements and improvement loan requirements in George Arthur Road had to be considered together.

The mechanics of this were impossible. It meant residents had to begin the improvement process, brief Rod Hackney to draw up plans and get in builders estimates long before they were actually going to improve because the freehold purchase had to be completed first. Invariably the estimates would have to be revised later. However, since estimates were by mid 1976, coming in at well over £5,000, when the leasehold loan requirement was added there was nearly always an equity problem and the applications were turned down.

This procedure was introduced in the first place because the Council's valuers had recognised that even after improvement the houses would not be worth the money invested in them, but also because the Council had burnt its fingers in George Arthur Road during 1975.

Improvements had started on one property before the owner, Mr D had purchased his freehold. His lease was only 13 years. Because of the ten year repayment deadline, when Mr D's loan application was processed, he was faced with repayments over three years of £80 per month. Mr and Mrs D have three children and a first mortgage already. £80 per month on top of their existing commitments, was just out of the question. But by this time the builders had almost completed the work. So once again all the established procedures had to be adjusted. Mr D had to be given a maturity loan — normally reserved for pensioners — in order to be able to afford his improvements.

**Table 1. Freehold Prices negotiated 1975-77 in George Arthur Road**

Length of Lease 1975	Cost £	Eligible to Purchase		Not eligible to Purchase	
		No.	Cost £	No.	Cost £
18 months	670 - 812	3	—	—	—
12 years	337	1	—	—	—
13½ years	317 - 401	9	470 - 600	4	—
14 years	380	2	—	—	—
15 years	310 - 366	5	515 - 689	2	—
17½ years	320 - 410	3	512 - 639	2	—
18½ years	302 - 371	2	711	1	—

By January 1977 only six leaseholders out of the 34 had managed to buy their freehold. Four of these six had also improved their houses. Only two leaseholders had improved without buying their freehold. One of these was Mr D referred to above, the other dropped out of the purchase, because after improving he could no longer afford it. His share of the improvement expenditure was £1,000, which, until the leasehold problem was resolved, he risked handing back to the freeholder 13 years later. Mr D was of course in an even worse position. He would have handed his improvements back to the freeholder, but still owed all the capital cost of his loan to the Council because it was a maturity loan. But help was at hand.

## Council action on leaseholds

When the Norton Estate was put on the market in 1961 the Council had the opportunity to buy. An Estates Department representative attended the auction, but he did not put in a bid because the price was felt to be too high. The Tory Councillors, although not in power, attacked the plans to purchase the Estate as a back door form of land nationalisation.

Even before negotiations with Lonwest were complete, CDP realised that pursuing the Leasehold Reform Act procedures was unlikely to prove helpful to the majority of Saltley's owner-occupiers. The George Arthur Road Leaseholders' Group therefore evolved the idea that the freeholds

should be bought by the Council and sold back to the leaseholders at cost price. A formal request was sent to the Council in May 1975. The local Urban Renewal Team asked the Estates Department to negotiate on a voluntary basis for Lonwest's part of the Norton Estate, but officials in the Estates Department refused.

In September 1975, therefore, an approach was made by CDP to the U.K. Family Housing Association and it was suggested that they put in a bid to London City and Westcliff for the freeholds. At the time UKFHA was involved in negotiations for the purchase of Lonwest's tenanted houses in Saltley which were later transferred to COPEC. The UKFHA offered £48,000 for the freeholds but the company wanted £150,000 so the deal fell through.

Urban Renewal then included the freehold of George Arthur Road in the section 43 Compulsory Purchase Order at that time being prepared. This is a type of compulsory purchase unique to HAAs which allows local authorities to buy houses for improvement if the owners are reluctant or incapable of doing so.

As early as February 1975, eight houses in Havelock Road were recommended for by the Housing Committee for compulsory purchase. The officials ignored this decision because it did not fit into their "network". The network provided for a First Stage C.P.O. of "not at all interested" owners to be submitted in 1976 and approved by the beginning of 1977, followed shortly after by a Second Stage C.P.O. of owners who had not honoured their

verbal commitment. This was to be confirmed in August 1978, allowing time for all the houses to be improved by the end of the five year period; i.e. March 1980.

At the end of 1975, with a whole year's experience of the area, the Urban Renewal Team were quickly able to draw up a list suitable for the First Stage C.P.O. At the request of the Leaseholders' Group, the whole of George Arthur Road was included, as it was felt this would help residents in their efforts to buy their freeholds.

Without any consultation with the Urban Renewal Team the Estates Department in February 1976 sent out a standard letter about compulsory purchase to residents, which read as if the C.P.O. was for slum clearance. It said that all the owners in the street were affected not just the freeholder and of course this caused a lot of anxiety and confusion. The problem was that the Estates Department officials, despite the existence of the Multi Disciplinary Team, were not familiar with the situation in George Arthur Road or the request of the Leaseholders' Group. In George Arthur Road at least, the S43 C.P.O. turned into a nightmare with no one ever sure if the Council really did intend to sell back the freehold to the residents.

In March 1976, a little behind schedule, the proposed C.P.O. passed through its Committee stages and went to the Estates Department for the purely administrative job of listing all the owners of the land and leases. This is known as referencing.

This job took about a year to complete, by which time the City Solicitor advised Urban Renewal that some of the original referencing could be out of date. The work therefore had to be done again! Subsequent delays can perhaps be attributed to political concern about the large number of houses being included in C.P.O.s. However, as later negotiations with Lonrho were to show, the Estates Department is incredibly slow about any activity involving possible public ownership of land. Whether this stems from fear of, or agreement with, the leadership of the Tory party is not clear.

Three years after the Havelock Housing Action Area was declared, its

First Stage Section 43 C.P.O. had still not been submitted to the Department of the Environment. It was finally submitted in May 1978 and a Public Enquiry was held in December 1978. The delay was a disaster not only for the leaseholders in George Arthur Road, but also all those tenants whose landlords refused to improve.

When it became clear that the S43 Compulsory Purchase Order would take years to be confirmed, the Urban Renewal Team, the George Arthur Road Leaseholders' Group, CDP and the Norton Residents' Association reverted to campaigning for the voluntary purchase of entire Lonwest estate. Lonwest were hurt badly by the property collapse and a sale of their assets seemed likely.

But the economic crisis hit residents too. As unemployment increased, fewer and fewer owner-occupiers throughout the Norton Residents area were in a position to purchase individually. By 1976, with the Adderley Park General Improvement Area declared as well, the leasehold problem and its affect on the level of improvements was beginning to spread to other parts of the Urban Renewal Programme. Purchase of the entire area would strengthen the Council's attempt to solve the problem.

In 1976, Lonwest was taken over by Lonrho Ltd. CDP wrote to the new owners about previous difficulties with the purchase and in March 1977 obtained Lonrho's agreement in principle to a bulk sale.

The following month the Chairman of the Housing Committee agreed to back the purchase. But the Tories as a group were unable to agree on this course of action. Individual committee chairmen whose departments had experience of the problems, like Housing and Urban Renewal, understood the importance of Council action in order to get some progress in the Housing Action Area. To others in the Conservative leadership however, the idea of the Council buying the land was still too close to land nationalisation.

The Chairman of the Land Committee, Councillor Hellaby, objected most to the idea. Local residents and CDP therefore demanded a meeting with the Lands Committee to put their

case. This was sent in July 1977, By October nothing had happened, so Norton Residents arranged a public meeting and invited the Lands Committee and Urban Renewal Chairmen to attend. This coincided with the renewed publicity about inner city areas and the announcement of the Partnership Programme. Many Tory councillors were anxious to show that something was happening, but not Councillor Hellaby, who did not turn up to the meeting. Councillor Bonner, the Urban Renewal Sub Committee Chairman, was clearly embarrassed by his colleague's failure to make any progress on the purchase, as well as his lack of courtesy. Later that month, however, the Leader of the Council, Neville Bosworth, announced in the Press the Council's intention to negotiate for the Estate.

But the commitment to do so was not really there. After waiting in vain for some formal acknowledgment of the Press reports, Norton Residents were told eventually that top level negotiations for the sale of the Estate were 'proceeding'. But in December 1977, Urban Renewal received a confidential memo from the Estates Department which indicated that the actual negotiations had not even started. The Council had attempted to start discussions with a chat between Bosworth and Tiny Rowland, but it seemed Rowland did not think this was the best way to operate.

The Estates Department negotiations with Lonrho dragged on for another six months after this. In June 1978 they eventually agreed to pay Lonrho £100,000 for their 450 remaining freeholds — an average of £225. But the Council continued to move slowly. In October, the paperwork was still not completed, but by this time Lonrho had sold a few freeholds out of the original portfolio. On 17th October 1978 the Estates Department asked the Housing Committee to agree that they should negotiate a reduced price (to take account of the properties recently sold off), and also that they be allowed to introduce a scheme for reselling the freeholds to individual owner-occupiers.

Norton Residents' Association had argued from the summer of 1978 onwards that when the Council acquired

the freeholds, they should sell them back to individual residents at the across the board figure of £225. This would best meet the requirements of Urban Renewal by lightening the costs equally on each owner-occupier. It would be administratively easier to operate, and it would be cheaper; it would for example cut out the need for individual valuations.

But the Estates Department recognised that the strategy of buying freehold estates and selling back to leaseholders at an average cost price interferes with the sanctity of the market mechanism. So it was argued that the Council must get the best price out of residents: prices must be based on the length of lease. It was back to square one as the whole point of the purchase was to cut the cost below Lonwest's "market" prices.

Fortunately, the Estates Department were overruled and a scheme was devised to sell the freeholds below market price. But this time the catch was that residents could only purchase if they improved their house with the aid of an Improvement Grant. The official mind had gone full circle. Faced with a request to buy freeholds to sell back to residents, so that residents could afford to improve the Council and Department of Environment civil servants eventually proposed that residents improve their houses in order to qualify for a cost price freehold.

Such an insensitive policy was greeted by Norton Residents Association with anger and dismay and after further meetings and argument the application of this policy has been considerably watered down. Only those leaseholders lacking all modern amenities are in effect excluded from purchasing. Prices range from £175 to £400, which means substantial reduction from the market prices negotiated in 1976 and 1977. A large number of leaseholders, including those in George Arthur Road, have applied to purchase and been accepted.

Because of the Havelock Housing Action Area, the Council has been forced into a position where it had to purchase the Norton Estate. It is clear from the outcome in Sattley, that Council ownership of the land is the only effective weapon in the fight to solve the leasehold problem. The

Council must use its powers and finance forcefully, but it is reluctant. Leasehold Groups in the area have now asked for the Council to acquire the interests of other landowners, as the same problems will prevent the success of Urban Renewal in the General Improvement Areas. For this reason the Council's hand will probably be forced again.

But for the time being the Tory leadership is clearly in two minds about making the Urban Renewal programme successful if it means the Council will have to buy out all the freehold estates in the inner areas. And it is not just a question of land changing hands. Once acquired the Council will then be expected to sell at below market prices, bringing yet more objections from the valuation professionals, including their own employees.

Clearly, at the moment the Conservatives find it difficult to undermine the land market in this way, but they will ultimately be forced to do so if the inner areas are to be improved and remain in owner-occupation.

The George Arthur Road Action Group had been aware, from the outset, that beyond the problems of leasehold lay the possibility that the actual cost of improvement would be too high for many people in the street. Opinion varied about the quality of the houses; many tenants lived in deplorable conditions because of the neglect of their landlord, Lonwest. Nevertheless, the majority wanted to remain in the street and felt that the Council's standards should be more flexible so that there would be fewer problems about costs.

It was for this reason the Action Group contacted Rod Hackney. The Group saw they needed professional advice to prove the houses were worth retaining. But they also needed someone on their side, who could argue with the Council about standards and be sympathetic to the residents cash problems.

It was assumed, quite naturally, that when the Council insisted on 30-year life improvements, these represented the highest possible standards. In fact, there is more than one way to increase the life of a house and no single set of criteria is universally

## THE 10 POINT STANDARD

On completion of improvement works, a house must:

1. Be substantially free from damp.
2. Have adequate natural lighting and ventilation in each habitable room.
3. Have adequate and safe provision throughout for artificial lighting with sufficient electric sockets for the safe and proper functioning of domestic appliances.
4. Have adequate drainage facilities.
5. Be in a stable structural condition.
6. Have satisfactory internal arrangements.
7. Have satisfactory facilities for preparing and cooking food.
8. Have adequate facilities for heating.
9. Have proper supervision for the storage of fuel and refuse.
10. Conform to the specifications applicable to the thermal insulation of roof spaces laid down in part F of the building regulations in force at the date of grant approval.

applicable. The Council's basic criteria were by no means the highest. They used — and still use — the 10 point standard which is derived from the 12 point standard contained in the 1957 Housing Act. This is a check off list for public health inspectors to decide whether or not a house should be classified as unfit.

It is a standard geared to slum clearance and tells us more about the evolution of Urban Renewal as an alternative to slum clearance than about housing improvement. It defines the legal context for improvement policies but is quite inadequate for providing specifications for the actual process of house renovation. As a result properties in the Housing Action Area can be classified as improved to a 10 point standard — yet still be without a new roof or have patched up windows and floorboards with wet rot. The improvement statistics used by Urban Renewal in their returns to the Department of Environment contain several houses with these sort of faults.

This is mainly because Improvement Grants are given principally for improving the house not repairing it.

This is a legal distinction, again derived from the Housing Acts and the 10 point standard, which is not apparent to many ordinary, sensible people. At least 50 per cent of a grant has to be spent on items of work defined as "improvement". If a house is in serious disrepair then it frequently happens that some "repair" items are omitted in order to maintain the 50:50 balance between improvements and repairs.

Of course, The Urban Renewal Team does not ignore old roofs and rotted woodwork when writing out the schedules of improvement. But even so they have to be conscious that although grants may include many repair jobs, there is a legal limit to what is possible. As a result many items — such as damaged sills, old guttering, even some perished brickwork — are often missed from these schedules.

The same items also tend to get missed if prices rise above the eligible cost limits because, unlike improvements, they are not compulsory. By omitting them, the health inspectors attempt to keep costs within the grant limit.

Further problems result from doing the same job in a different way. There is an expensive and a cheap way of doing anything — and the 10 point standard is no guide at all to which method to use. A chimney stack can be repaired by rebuilding it (£150), or by repointing it and knocking out a couple of perished bricks (£50). The rebuild should definitely last 30 years; the cheaper job will need further attention in at least 10 years. In general cheap work now, implies further expenditure on maintenance later on. Over a 30 year period it is usually cheaper — if the capital is available — to do a good job in the first place.

Once Rod Hackney had established there were no major structural faults in the George Arthur Road houses, he was no longer concerned with the legalistic framework of the 10 point standard. Instead he used an architect's knowledge and experience of the life and performance of different building materials and his ability to plan the space within each house to suit its owners needs and finances.

His richest clients, COPEC Housing Trust had purchased 21 houses from Lonwest at a very low price and could afford to spend on average £8,500 on the first block to be improved, Nos. 6-12 George Arthur Road. This was in April 1976.

In 1976 any owner-occupier in George Arthur Road with this sort of money would have gone and bought a new house in the suburbs. So with them Rod Hackney had to work back from what was best to what could be afforded. In general, items were missed out rather than done to second rate standards and as many items as possible were left to the owners to do themselves. There is a myth that self help can save a lot of money. In practice this is rarely true. The type of work which had to be cut out is not easily done well — especially by old people, or by young Asians with little building experience.

The Action Group had set great importance on the savings to be achieved by self help, but despite a lot of effort by Rod Hackney it proved impossible to reduce costs to below the eligible limits through this method. The first two improvements in 1975 included sums of £800 and £1000 of self help, but still the total cost of improvements was more than £1000 above the eligible limit of £3,200.

It is also difficult to fit self help into a normal building contract with penalties for late completion, etc. Although Rod Hackney encouraged the idea of self help, in practice it had to be confined to certain convenient or non-essential jobs, like decoration or fencing. This also contributed to the demise of GARCO. No confidence was ever developed in the scheme because its workers lacked specific building skills. GARCO could not act as main contractor, only contribute to the unskilled self help work. Worse the first improvements in George Arthur Road were six months behind schedule, by which time GARCO had serious cash flow problems. When the first owner-occupiers to improve decided not to involve the Co-op it was wound up.

Inevitably there were criticisms when the high building costs became evident and it became clear that self-

help, GARCO and Rod Hackney were not going to change the situation. The criticism led to rows and in mid 1975 the Action Group broke up amid fierce argument about Rod Hackney's involvement and mode of operation. Some of the dissension was petty and some the result of personality conflicts within the Action Group itself. But the underlying factor was the misunderstanding about standards and costs which had been conceived by residents during the early days of the Urban Renewal Programme. The fact was that many of the houses were already slums in 1973 and needed extensive improvements and repairs to give them any future life at all. The money for such improvements was not covered by the grants available.

Although Rod Hackney had been very scrupulous in attempting to work to the requirements of the residents, setting up a client relationship which was never approached by the Council's Improvement Agency, it is inevitable that the poor condition of the houses was reflected in high costs. Residents got value for money through the existence of formal specifications, contracts and proper supervision but these safeguards also cost money. Builders tendering for architect designed work always add extra to their costs to cover any penalties incurred later on.

Unfortunately, the quality of the work was not always visible or measurable in the finished product. What was measurable was the £4-500 estimated for the architect's fees. Because costs were consistently above the maximum eligible limit, these fees — though eligible for grant like all other tradesmen's costs — appeared as a sort of surcharge at the bottom of the bill. The additional costs over £3,200 became identified with the architect fees.

Many residents, aware of cheaper work being carried out elsewhere, but not aware of the reasons why, decided to opt out of any involvement with the street architect. For many it was Hobson's choice. Using Rod Hackney, after taking into account the leasehold and finance problems explained above, meant they could not even afford to start. Rod Hackney's involvement with owner-occupiers after the first five

had completed in mid 1976 declined rapidly and by August 1977 was minimal. The failure of the grant level to rise at all during the high inflation years 1975 and 1976 effectively priced architectural supervision out of the market and with it, all hope of bringing good quality improvements to George Arthur Road.

In fact, the grant limit of £3,200 was not even high enough to cover the costs of the cowboy builders who began to move in during 1976. The first of these provided quotes for numbers 82 and 84 George Arthur Road, of £3,400 and £3,585. Work started in June 1976 and was still not complete in July 1977. Both owners received grants of £2,400. They could not raise their share of the improvement costs from the Council, because they still had short leases, so they both borrowed from relatives and ended up not being able to afford to purchase the freehold.

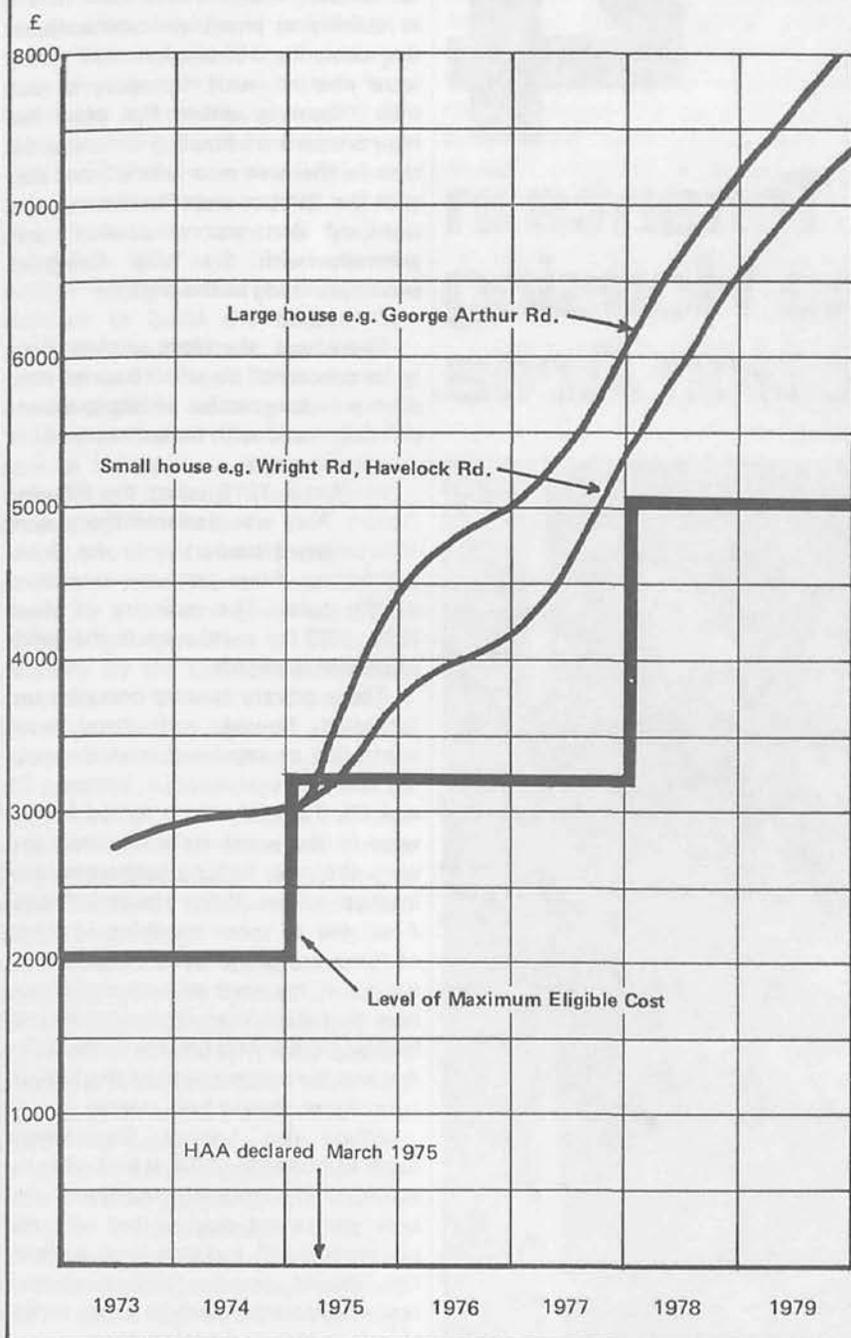
Worse still, the quality of the work is appalling. Kitchen walls have been built without damp-proof courses, the new bathrooms are damp, and windows and woodwork are rotting. All the materials used are of poor quality. In such cases the only recourse residents have is through the courts which takes up even more time and expense.

This was the course of action forced on Mr E of 72 George Arthur Road. He engaged a Mr Robson, a builder from Coventry in August 1976 on an estimate of £3,232. He paid £300 in advance, only to discover that Robson did not have the capital to continue working once this had been used up and that the work was not eligible for an interim grant payment. Robson stopped the job, and Mr X. was left with an empty shell of a house, and no contract with the builder. With the help of the local Law Centre, Mr E was able to sort out his problem, and begin the long drawn out procedure of prosecuting the builder in an attempt to get the money back. But this did not help him with his immediate problem of completing the renovation. This took another 14 months and because he was limited to such a low estimate the work carried out is not to his satisfaction.

By the end of 1977, estimates of £7,000 were common in George

## BUILDING COSTS IN SALTLEY

Figures based on actual costs or builders estimates. Since 1977 there have been few Improvement Grants actually completed anywhere in Saltley.



Arthur Road, even without the sort of standards implied by using an architect. The increase in the maximum eligible grant to £5,000 in August 1977 was of course useful but it still left George Arthur Road residents with £2,000 to pay on top of the 25 per cent of £5,000 (£1,250) that they are normally required to pay. Given

the leasehold situation, the equity problem and the general level of wages, it is not surprising there were few new applications for grants by this date.

Out of a total of 104 properties in George Arthur Road, by August 1977 only ten owner-occupied houses were improved to the 10 point stan-

dard. Sixty had not even begun improvements. These 60 lived in houses which could probably be classified as slums. This is the measure of the cost of the improvement policies to the people who live in the street and others like them.

The owner-occupiers in George Arthur Road, and elsewhere in Havelock HAA have been lucky, as is described in Chapter Five. But others in Saltley – and throughout Birmingham can expect no such good fortune. They remain trapped in improvement or proposed improvement areas, while finance for the necessary improvements remains a trickle. Even the inadequate grants available through official improvement policies are surrounded in legal complications and no local authority is allowed to organise this expenditure efficiently. As a result a lot of the State's investment is being syphoned off by small and inefficient builders leaving a repair and maintenance problem of enormous size for the 1980s. No wonder that many housing professionals are once again turning their minds to slum clearance.

But this ability by central and local government to stand housing policies on their head every 10 years to take account of "changed circumstances" only worsens the prospects of the residents of the inner areas. If they do not improve their houses they are forced to live with the consequences – leaking roofs, cold draughty rooms, outside toilets and regular trips to the local slipper baths. But if they do sink their life savings, or mortgage away the next 20 years' wages into a £7,000 scheme of improvements, there is no guarantee it will be well done or – given the shift back to slum clearance – that the local authority will honour its implied commitment not to knock the house down within 30 years. In these circumstances owner-occupation in the inner city is a trap – offering none of the benefits lauded by politicians and building professionals and all the disadvantages caused by allowing State policy towards working class housing to reflect the continuing crisis of the economy as a whole. It is a trap shared by almost 25 per cent of the city's population ■

# 4

## Tenants in the Housing Action Area

MUCH emphasis was laid, in early government circulars about Housing Action Areas on the need to relate them to housing stress and the need to define and alleviate this stress as quickly as possible. Local authorities declaring Housing Action Areas were charged with the duty of not only "securing within five years the improvement of housing accommodation in the area as a whole" but also with the "proper and effective management of that accommodation" and generally with the "well being of persons residing in the area."

There was, therefore, a clear duty to be concerned about all housing conditions — irrespective of improvement policies — and with tenants as much as owner-occupiers.

In March 1975 when the Housing Action Area was declared there were 163 tenanted properties in the Housing Action Area, just over one third of the total. The majority of these (130 — 29 per cent) were in the hands of private landlords.

These private tenants occupied unfurnished houses and many were controlled or regulated tenancies paying low levels of rent, i.e. between £1 and £3. Typically these rented houses were in the worst state of repair and were the ones lacking bathrooms and internal toilets. If the Housing Action Area was to mean anything in terms of "improving the housing accommodation in the area as a whole" it was here that the Urban Renewal officials, backed by the new powers in the 1974 Act and the commitment of the Labour councillors, should have started.

When the Labour Government came to power in 1974, it had recently stated that "municipalisation is the only permanent way to deal with the private sector"<sup>1</sup> and that local authorities should acquire and modernise rented properties such as those in the Havelock Housing Action Area.

As a back-up to the municipalisation programme, new powers were given to local authorities in the 1974 Housing Act to ensure compulsory improvement by unwilling landlords. Housing associations were also given a "new role". The aim was to get a better deal for tenants *quickly*.

1. Labours Programme 1973.



The Millmans outside their house in George Arthur Road. It was finally included in a confirmed compulsory purchase order in November 1978. Picture: GASP

In practice, the complete opposite happened. The municipalisation programme introduced in April 1974 was used by local authorities to rescue private builders stuck with new houses that they could not sell at a profit. Birmingham Council had begun early by buying 11 new houses from Morris and Jacobs Homes for £95,000 in March 1974. By the end of the year part completed houses and flats were being purchased and in 1975 millions of pounds were spent in "package deals". In this sort of scheme the builder sold the land but kept the contract to build the houses. Payment for the land was made before building work began. With the cries of the builders abating during late 1975 the Council then had time to turn to the needs of the residents of the Urban Renewal Areas and, in particular, the tenants.

But any hopes of early and speedy purchase by the Council were dashed, firstly by the central government cuts in housing expenditure of 1975, and secondly by the Council's decision to introduce "blanket" Compulsory Purchase Orders against all those owners who were unwilling (or unable) to improve. (See page 27). This had the effect of deferring for at least a year (and as it turned out, much longer) the purchase of rented houses which landlords clearly had no intention of improving.

The reliance on compulsory purchase also gave the Council an excuse for not carrying out compulsory improvement. In 1975, it was decided that these procedures were "too long". No-one unfortunately, was then in a position to predict how long it would be before the compulsory purchase order method would benefit tenants living in unfit conditions. With the C.P.O. not confirmed until 1979 it is clear that compulsory improvement would have been relatively quick.

Faced with the fact that local authority finance and powers were not going to be used to improve housing conditions for the tenants, the Urban Renewal Team turned to the housing associations wherever possible and by August 1977 private landlords owned only 46 houses in the Housing Action Area. The others

had all been sold to housing associations or bought by the Council for clearance.

The impetus for housing association involvement in the Housing Action Area was provided when COPEC Housing Trust moved in to the area in 1975. In November of that year they purchased 146 tenanted houses for £78,000 from London City & Westcliff, including 35 houses in the HAA, mainly in George Arthur Road.

The average purchase price paid for the George Arthur Road properties, at sitting tenant value, was less than £600. Since then COPEC has acquired a further six from owner occupiers. Three houses acquired from landlord Norman Leach cost only £400 each, while in April 1976, number 93 was acquired from Avon Estates for £2,600. By August 1977 only seven privately rented houses were left in this street.

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## COUNCIL SUPPORT FOR BUILDERS' PROFITS

In September 1979 Wates Ltd. took a full page advert in the Sunday Observer asking local councillors to ring Christopher Wates. The advert boasted, "he'll soon tell you how you can make cuts without hurting anyone at all". Wates were hoping to boost their profits by purchasing housing land from urban local authorities now in desperate financial difficulties because of the Tory government's arbitrary cuts in public expenditure. This land will be bought at 'market value' and not reflect the cost of buying and clearing it, rehusing its previous residents and making it available for development.

It was a different story in 1974 and 1975. Then it was the builders who were in financial difficulties. But the same principle was expected to be applied; local authorities, financed by the state, were urged to help builders and property companies — either to maintain their profits or prevent them from liquidation.

In April 1974 the new Labour Government, in Circular 70/74, after noting the 'decline in the provision of new houses which has occurred over recent years' went on to recommend that local authorities buy new houses from developers, as 'many of these, although complete or virtually completed, have not been sold'. It also suggested that private builders 'in present circumstances, may be prepared to negotiate a contract to build houses for local authorities on their (the builders) land'.

The 'present circumstances' were of course an acute mortgage famine and

All the houses owned by COPEC in George Arthur Road are now improved and many were done on a block basis. The standard of improvement is high. The average improvement cost (1977 prices) was £7,500 to £9,000 per house on contractors fees alone. Close supervision is achieved so architects' fees add approximately £700-£1,000 to this bill bringing the total costs up to £9,000 or £10,000. There is no way in which owner-occupiers can achieve these standards, so COPEC tenants have become the elite, envied by owner-occupiers and other tenants alike.

COPEC receive subsidised government loans through the Housing Corporation and the reason why their standards are high is that their cost yardsticks are (or were) fixed to take account of real building costs (including regional variations). The contrast with improvement grants to owner-

property and building firms stuck with land and houses they desperately needed to sell in order to avoid going into bankruptcy. Birmingham Council was quick to help out and before Circular 70/74 was even printed had approved the purchase of 11 houses for £95,000 from local builders Morris and Jacobs Homes. By the end of the year the Council had approved the purchase of 836 flats and houses under Circular 70/74, 75% of which were purchased direct from local builders and property companies; the remainder were mainly bought from owner occupiers in the inner areas and hardly any pre-1919 houses were bought from private landlords. Yet Circular 70/74 remained the only government action towards municipalisation of the private rented sector.

By 1975 there was no longer a surplus of houses for sale and so the builders came back to the Council and offered to sell off their land as well — providing the Council gave the builder the contract to build council houses on it. These were known as package deals. Altogether Birmingham Council negotiated 15 package deals at a total cost of about £6 millions. C. Bryant and Son Ltd even persuaded the Council to buy back some land it had sold to Bryants only four years earlier. At first Bryants magnanimously offered to sell the land at approximately £40,000 per acre — a 50% profit. But this was rejected and a price of £33,000 per acre negotiated, which was only a profit of 25%.

occupiers could hardly be more marked. In February 1977 when the yardsticks quoted below are in operation, the maximum eligible grant for owner-occupiers — for an entire house — was only £3,200. The maximum grant (75 per cent) was therefore £2,400.

In Adderley Road, where COPEC also bought houses from Lonwest, the blight of the County Council's road line held them back from making a full improvement. Based on an estimated 12-year life, COPEC were allowed 57 per cent of the 1976 yardsticks, i.e. £4,845 for a two-person house and £5,244 for a three-person. Even these costs were more than those allowed to owner-occupiers at that time, improving — in theory — for a 30-year life.

The improvements carried out by COPEC — and other housing associations — are now under attack as being too generous. Although they provide only the bare necessities and a good standard of repair, the contrast with privately financed improvements using the Improvement Grant System is embarrassing.

The Housing Corporation in 1977 expressed concern that housing association improvements were so obviously above the standard that could be afforded by neighbouring owner-occupiers. So instead of increasing spending on private grants, housing association standards were cut. The cost

yardstick ceiling remained the same for two years while builders' costs increased by 25 per cent. Department of Environment restrictions made it difficult for COPEC to provide downstairs W.C.s for pensioners and invalids, or to retain reasonably sized kitchens. New roofs are not being replaced where they might last another 15 years. Officers are juggling with costs and contracts to retain tenants' rights to a sound basic improvement job.

But before these cutbacks began to be effective COPEC had brought a further 80 houses. About 35 of these were in the Housing Action Area, the majority in Phillimore Road; 25 of these 80 houses were previously owner-occupied. Their occupants recognised the financial disadvantage of owner-occupation and exchanged it for a well-improved COPEC tenancy. Subsequently, House Association grants were increased in October 1978 and February 1979 but the scale of COPEC's activities has diminished since 1977.

Not all landlords have sold out willingly to COPEC, however, and their tenants remain the victims of the Council's inertia. The Housing Action Area, aimed specifically at relieving their housing stress, has brought them nothing. Not even the legislation unique to Housing Action Areas has been implemented.

In May 1975, CDP tried to get the City to purchase two tenanted houses

which were up for auction with the intermediary leasehold interests of the adjoining owner-occupied houses. After much wrangling the Estates Department were persuaded to go to the auction, bearing in mind the provision of the 1974 Act that owners are required to notify the Council before selling tenanted houses and the Council's commitment to municipalisation. But the Estates Department representative dropped out of the auction at £900. The properties which were still tenanted went to local Estate Agent Fazal & Khan for £1,150! For the sake of £250 — about £100 per house after allowing for the leasehold interests — the Estates Department was happy to perpetuate private landlordism despite the owners' disregard of the law. If the houses are not improved they will almost certainly have to be compulsorily purchased later at a much higher price.

In the same month an illegal eviction took place at number 60 Phillimore Road, the tenant, a woman who had lived there for seven years was generally unsure of her rights and confused. She did not want any trouble. Urban Renewal announced that they did not want to get "involved at the door". Instead the Harassment Officer spent two hours with the evicted woman. But she was scared of the landlord and did not want the Harassment Officer to act against him.

#### HOUSING ASSOCIATION FINANCES SCALES OF COST LIMITS FOR IMPROVEMENT PROJECTS IN BIRMINGHAM

Aquisition and Improvement	1976/77 (Circular 24/76)	1979 (HA Note 1/79)	1980 (HA Note 4/79)
1 person dwellings	6,200	7,840	9,020
2 person dwellings	8,500	10,750	12,360
3 person dwellings	9,200	11,640	13,390
4 person dwellings	10,000	12,650	14,450
5/6 person dwellings	10,800	13,660	15,710
75% owner occupier grant	2,400	3,750	3,750

DOE Circular 24/76 set out cost limits for improvement projects. HA Note 10/78 increased these limits by 10 per cent, HA Note 1/79 increased them by 15 per cent in February 1979 and in October 1979 they were increased by a further 15 per cent in HA Note 4/79. In addition there are various allowances available for administration costs and acquisition of properties with vacant possession.

Contrast this with the grant to owner-occupiers. Most houses in Havelock HAA are 3, 4 and 5 person dwellings. The bulk of the tenanted properties acquired by Copec were only £600 per house leaving them at least £8,500 per house for improvement. Despite these allowances, even Copec had to cut improvement standards in 1977 and 1978 because yardsticks were not increased in line with costs. In 90 George Arthur Road for example, Copec could not afford to replace the old bathroom suite. When the tenant complained at the state of her 'improved' house, a new bath was provided, but the old washbasin and toilet remained.



COPEC improved houses in George Arthur Road costing £9000 each.

# URBAN RENEWAL Repairs or else'



Mabel Brown in the bedroom of her home in Aston, Birmingham.

## warning to a landlord City gets tough with landlords

'House is falling down around me' says widow

**KNOW THE FACTS  
TENANTS AND  
PRIVATE LANDLORD**

by T  
pay to  
BIRMINGHAM has  
clared war on un-  
pulous landlords  
leave their home-  
if  
do repairs  
or else'  
warning to  
landlords

Families  
evacuate  
their  
bedrooms

SMITH  
city council and relet-  
main target for the  
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on the inner areas of  
Eric Wakelin, Birming-  
Environmental Officer,  
se city was mounting  
have attack on land-  
he failed to maintain  
property.  
included notices  
Mr. Wakelin said  
landlords had quit the re-  
sector because of laws  
tenants, and the major  
landlords probably trie  
But he added: "we  
trace landlords who  
based in other parts of  
country or who ope  
through agents

Frequent publicity in the local press about the plight of tenants in pre-1919 houses does little to solve the problem. Most rented property is managed by three or four big city estate agents who make their own arrangements with the City's environmental health officers. This consists of undertaking that minimal repairs will be done when absolutely necessary providing no legal action is ever taken. As a result tenants have their leaking roofs and rotting woodwork patched up rather than renewed. As many tenants are pensioners, their poor housing conditions only increases their chances of rehousing by the Housing Dept. Once this has been achieved the house is sold into owner occupation for a considerable profit. Urban Renewal has done nothing to change this situation except speed it up through purchase by Housing Associations and better arrangements for rehousing of elderly and disadvantaged tenants.

The Harassment Officer, placed in a difficult position, took the easy way out and did nothing. The landlord of this house, far from being punished for the housing stress he caused, was not required to take back his evicted tenant and now rents the house for more money!

In Wright Road, Avon Estates own several houses, one of which was occupied in 1976 by an elderly couple. It had no bathroom, an outside toilet that leaked and wiring that required urgent replacement. Early in 1976, nine months after the Housing Action Area was declared, the tenants were interviewed by the Environmental Services Department after Urban Renewal, despite the general policy, had recommended compulsory improvement action under Section 85 of the Housing Act 1974. The tenants, being elderly, told the Public Health Inspector that they preferred a shower in the upstairs back bedroom to a bath. The Public Health Inspector insisted that the bathroom would have

to be built on downstairs, and so the tenants asked for the improvement scheme to be dropped.

Later in March 1977, the back bedroom ceiling began to collapse because of a leaking roof. The toilet was still leaking as well and the building still needed rewiring. The Council, following further complaints, served a statutory notice under the Public Health Act and the roof was mended. But nothing else was done. The tenants in the HAA were given the same inadequate statutory notice system that is used throughout Birmingham. This system has never achieved anything of real value — and is not intended to.

At 43 George Arthur Road, the tenants rent the house at £5 per week from Goulde and Browne, who act on behalf of the Executors of a Mr Price. The Millmans took on the tenancy of this property in 1973. Before that Chris Millman's parents had occupied it since 1933. The Millman family between them have always repaired

and maintained the house in this time. They have mended the leaking roof, repaired rotting floorboards and damp and rotten plaster. In 40 years the landlord has done no repairs and the declaration of HAA made no difference except inclusion in a compulsory purchase order which never seemed to be proceeding.

In August 1977, midway through the Housing Action Area's five years the problems of private tenants such as the Millmans or the elderly couple in Wright Road were just the same as in the early seventies — leaking roofs, no bathrooms and dangerous wiring. Unless they had been among the lucky ones rescued by COPEC, nothing had changed. The Council had not attempted to relieve the housing stress of the minority living in rented property but instead had concentrated almost entirely on improvement to owner-occupied houses. By August 1977 even that policy was being increasingly questioned.

# 5

## The rescue



**URBAN  
RENEWAL  
NEWS**

**£1,000,000  
OPERATION  
FACELIFT**

### *Havelock Housing Action Area*

# IMPORTANT NEWS

## FREE IMPROVEMENTS !

As you will know from the Urban Renewal News sent to you last month, the City Council is spending approximately ONE MILLION POUNDS to help make HAVELOCK a better place in which to live. Some of the money is to be spent improving the appearance of those houses which are not yet fully improved. Your house has been seen to be one of those in need of improvement, and with your permission (or that of your landlord if you are a tenant) some or all of the following items of work may be carried out FREE OF CHARGE during 1978.

Re-roofing and guttering  
Repairs to front walls  
Repairs or replacement of front doors and windows  
Redecoration to front elevations.

SO THAT THE EXTENT OF THE WORK REQUIRED TO YOUR PROPERTY MAY BE RECORDED, WE NEED YOUR SIGNATURE ON THE ENCLOSED FORM ON OR BEFORE THE 31<sup>ST</sup> OCTOBER 1977.

THE 1974 Housing Act gives local authorities a period of only five years in which to complete its Housing Action Areas. In mid 1977, when Birmingham Council was assessing its chances of "finishing" the first four Housing Action Areas by 1980, the results in the Havelock Housing Action Area were far from promising.

Although it was said to be one of the more successful areas, by mid-1977, (the halfway point) only 40 per cent of the improvable houses reached the 10 point standard. But many of these were at this standard before the Housing Action Area was declared. The real level of progress, i.e. new improvements completed, was only 29 per cent. An increasing proportion of these were Housing Association houses and the rate of private improvement was slowing down.

None of the houses to be cleared had even reached the stage of confirmed C.P.O's. No-one said it, but housing stress was probably worse half-way through the programme than before it started.

This situation was highly embarrassing for the Council. In the three-and-a-half years since the Urban Renewal Team had started operating in the area and the two-and-a-half years since the Housing Action Area had been declared, three small streets in Saltley were nowhere near improved. Many of the houses that had been renovated were not up to a 30-year life and would need further attention and cost. Despite numerous changes in administrative procedures and a lot of intensive work by officers<sup>1</sup> the policy overall was failing.

The failure of the Council's HAAs was thrown into even more focus by an exercise called for by the Leader of the Council at the end of 1976. This estimated how much it would cost to "finish off" Little Green and Havelock HAAs. The figure for Havelock was more than £2 million for housing improvements alone — about five times what had already been spent on grants and local authority and housing association improvements.

At first the Council attempted to increase its success rate by "environ-

<sup>1</sup> The Birmingham Inner Area Study calculated that every house in an HAA was costing £472 per annum in staff and overheads (1975 figures).

mental improvements". Unlike General Improvement Areas, Housing Action Areas do not qualify for any significant level of central government finance for such works; the emphasis is on housing. So this money came entirely from the Council's own funds. But by most standards, the environmental improvements carried out in the Havelock Housing Action Area in 1977 were indeed strange. Wright Road and part of George Arthur Road came in for the most extensive treatment. End gable walls were rebuilt, and whole blocks of houses painted in a desperate bid to encourage owners to improve. Later, this sort of scheme was developed so that the environmental improvements — or curtilage works — were combined with 90 per cent grants, and the Council could offer owners the possibility of joining

in a block improvement scheme for only £500. This was known as the "Roshven type envelope scheme", after the HAA in Balsall Heath where it is being tried out.

But first, in August, 1977, came an unexpected opportunity which was to change everything. Peter Shore, Secretary of State for the Environment, announced an £11 million programme for inner city construction works in Birmingham. This was part of an additional £100 million made available nationally in the April 1977 Budget to help the construction industry and compensate to some extent for the loss of work resulting from the cuts in 1975 and 1976.

The money had to be spent quickly — before March 1979 — and as a result most of it went on projects which had been designed, but shelved, because of

public expenditure cuts. Included on Birmingham's shelf was the exercise carried out six months earlier on how to finish the HAAs. In September 1977, Operation Facelift was born.

The Facelift Scheme involved:—

1. Renewing roofs, chimneys, gutters, front and gable walls, windows, doors, cleaning brickwork and damp proofing in all unimproved houses.
2. Improvements to commercial premises down to floor level as for houses and the repair, refitting and redecoration of shop fronts.
3. Improvements to industrial premises to secure better car parking, etc.

All this work was done for no charge. Each owner had to sign an agreement permitting the work to be carried out, but only those who had *not* received Improvement Grants were invited to sign up.

Operation Facelift was only implemented in two HAAs — Little Green in Small Heath and Havelock. Of the two only Havelock has had *every* property modernised; today it is indeed complete. Overall the scheme was estimated to cost £2 million (£1,127,000 in Havelock and £829,000 in Little Green) but work in George Arthur Road alone *since* March 1979 must have added considerably to this estimate.

The Tory Council seem both pleased and shocked by the audacity of their rescue scheme. On the one hand there is clear recognition that the Facelift resolves the problem of how to improve houses, the majority of which are owned by poor people, some of whom do not even qualify for Council loans. It also removes the worrying prospect (to a Tory Council) of extensive municipalisation throughout the Housing Action Areas.

This problem had been taxing both politicians and officials since the First Stage of the Section 43 Compulsory Purchase Order was drawn up in 1976. This showed the need to purchase about 30 per cent of all the improvable houses in the first four HAAs; later this figure was to rise to 65 per cent. Some progress in solving the difficulty had been made by June 1977, when it was reported to the Urban Renewal Sub-Committee that

"The object of the Compulsory Purchase Orders is to acquire reten-

Table 2. PROGRESS IN HAVELOCK HAA, AUGUST 1977

Tenure	No. in HAA at 16.8.77	Properties improved to 10 point standard at 16.8.77
Owner-occupied	237	112
Landlord owned	46	11
Council owned	23	9
Housing Association	74	21
Total	380	153
Clearance (proposed)	70	—
Clearance (complete)	7*	—
Total	457	153

\* These were houses in confirmed CPO's before the HAA was declared.

### THE COST OF FAILURE

#### 1977 Estimates of work needed to finish off Little Green and Havelock HAAs

	Little Green	Havelock
Housing	4,070,000	2,360,000
Environmental	1,700,000	650,000
Industry and Commerce	780,000	393,000
Community needs	280,000	140,000
TOTAL	6,830,000	3,543,000
Additional staff	50 for 2 areas combined	

tion properties for the purpose of improvement by the Council. In order to counteract the decline in the proportion of owner-occupation in these areas, the Housing Committee have agreed to dispose of improved properties under the Equity Sharing Scheme.<sup>2</sup> The main advantage in retaining owner-occupation in this manner is that a full improvement scheme is achieved, the works carried out attract subsidy, and are financed on a sound basis."

But Operation Facelift directly reduced the need for municipalisation altogether. A report to the Housing and Environmental Health Committees in April 1978 (which later formed the basis of Birmingham Council's contribution on housing to the Inner City Partnership Programme 1979-82) sets out the relationship between Operation Facelift and support for owner-occupation.

"The Council have adopted various measures to encourage owner-occupation throughout the City. In the inner areas of the City the main effort in this direction is in the form of mortgage and grant facilities, as well as the sale of improved houses to either tenants or other first time buyers. In spite of this, there is every indication that given current policies, the only way in which houses in Housing Action Areas will be satisfactorily dealt with is by extensive acquisition and improvement by the local authority, the improved units then either being made available for letting in the usual way or being sold.

To date, of approximately 12,500 retention properties in HAAs only about 600 have been improved with grant aid in the private sector.

In the first four declared areas both first and second stage compulsory purchase orders for retention properties have been agreed by the Committee. Allowing for the number of owners that might change their minds and carry out improvement

2. Equity sharing is a development of the Half and Half Mortgage Scheme which as Richard Westlake, Birmingham's Director of Housing put it, "enables people to start on the ladder of home ownership". They take out a mortgage on what they can afford, say 40% of the value of the house, and pay rent on the rest (60%), until they can afford to take up their option to purchase the house outright.

## Council cash 'facelift' row

RATEPAYERS and taxpayers are to fork out more than £30,000 in facelifts for 18 old houses owned by a private landlord in Birmingham.

The move caused a clash at a council committee meeting

But facelifts for the houses managed by Jack Cotton Investments were defended today by Councillor Norman Bonner, chairman of the city's urban renewal sub-committee.

He said "We are not there to line people's pockets but just to improve properties and make them fit for people to live in."

The 19 houses are part of

out internal improvements with a normal 75 per cent grant.

A Labour member of the sub-committee, Coun. Mrs. Freda Longden-Parker, said today: "We felt concerned that the city were spending this money and could not guarantee that the property company would see the houses are kept in good condition over the next 30 years of their life."

Facelift schemes benefit the deserving and undeserving alike: Evening Mail 24.479.

schemes, some 1160 properties in these areas might reasonably be expected to come into public sector (including Housing Associations); this is 65 per cent of the retention properties in those areas. Within the Housing Investment Programme submission the assumption was made that the Council would have to acquire approximately 50 per cent of the retention properties. Subsequently the DoE have indicated that they are concerned about the extent of the programme, and the resources required to meet it."

After reviewing possible alternatives including reduction in standards, additional clearance and increasing private sector contributions by further tinkering with grant and loan systems, the report concludes:

"An increase in the amount of clearance and the additional encouragement to private owners set out above may not make any major impact on the gap between the programme and the financial resources that appear likely to be made available to meet it. It is therefore, necessary to reassess the methods of achieving the programme. The only alternative strategy is a SUBSTANTIAL REDIRECTION OF AVAILABLE FUNDS FROM THE PUBLIC INTO THE

PRIVATE SECTOR which can only be brought about by maximising incentives and minimising the disincentives to private investment in HAAs. This would lead to savings in the required level of both capital and revenue expenditure for those properties which would otherwise have been municipalised. Under the construction monies made available by the Government, £2 million is being spent carrying out curtilage works which include the roofs and frontages of dwellings. IF THIS SCHEME WERE EXTENDED TO SUCH AN EXTENT TO INCLUDE ALL MAJOR STRUCTURAL ITEMS SO THAT THE MAIN STRUCTURE OF THE PROPERTY WAS SOUND AND THE EXTERNAL APPEARANCE GOOD, THIS COULD LARGE OBVIATE THE NEED FOR FURTHER MUNICIPALISATION. Moreover any request for municipal accommodation from residents in Housing Action Areas on whose property such work had been carried out might be dealt with on a points basis as for existing tenants transfer requests".

The Facelift has also helped to strengthen the links between the local authority and the medium-sized building contractors. This had been started

# Charterhouse Simon Limited

FINANCIAL CONSULTANTS

14A Milford House 7 Queen Anne Street London W1M 0AD Telephones 01-580 3714  
01-637 2571

Project Team Office  
186 St Saviours Road  
Saltley  
Birmingham



Our ref. RSL/mcr/Leecamb  
Your ref.

Date 2 November 1977

Dear Sirs

80 Wright Road, Alum Rock

Your kind offer in respect of the above was forwarded to us by our tenant but unfortunately arrived here after 31 October which was obviously too late to have it to you signed by that particular date.

However, we sincerely hope that under the circumstances you will accept our late agreement for you to carry out this work and enclose your signed form as requested.

Please confirm to us that you have accepted this form and let us have further information regarding the work to be carried out in due course.

Yours faithfully

Richard S Leslie

Directors: R.S. Leslie F.C.A. (1) Item

Company No 1133817 Registered Office: 5 Waterloo Place London W6 7AT

**Landlords plead to be included in Operation Facelift. Closer examination reveals that Charterhouse Simon Ltd are run by the same people as Constant Finance Ltd., who were charging 24% interest on loans to owner occupiers in 1973.**

by the closure of the Construction Department in 1976, soon after the Tories won the election, and by increasing the amount of council house modernisation allocated for private builders.

On the other hand, lots of ordinary inner city house-owners — many of them Asian — are clearly getting something for nothing out of Operation Facelift. Several Tory councillors do not seem to think this is following Tory principles. Concern about large, indiscriminate subsidies to the private sector has also got entangled in departmental rivalries, with Urban Renewal forced to take a back seat in their own special areas, while

the Architects and Building Finance Departments organise the work.

In October 1977 residential owners, including landlords, were asked to sign up for the "free improvements" scheme. In December about 50 additional houses in Wright Road, but outside the HAA were added as well. Later, after building work was started, the shops on Alum Rock Road, again including many outside the HAA, were approached. The Council was most thorough and no house — not even those that had been empty for years — was missed. Finance companies, temporarily in possession following eviction, as well as ordinary landlords, had their houses improved

just like the poor owner occupiers. In the shopping centre big companies like Ladbroke's and Ansells Breweries had their premises renovated just like the second hand dealers.

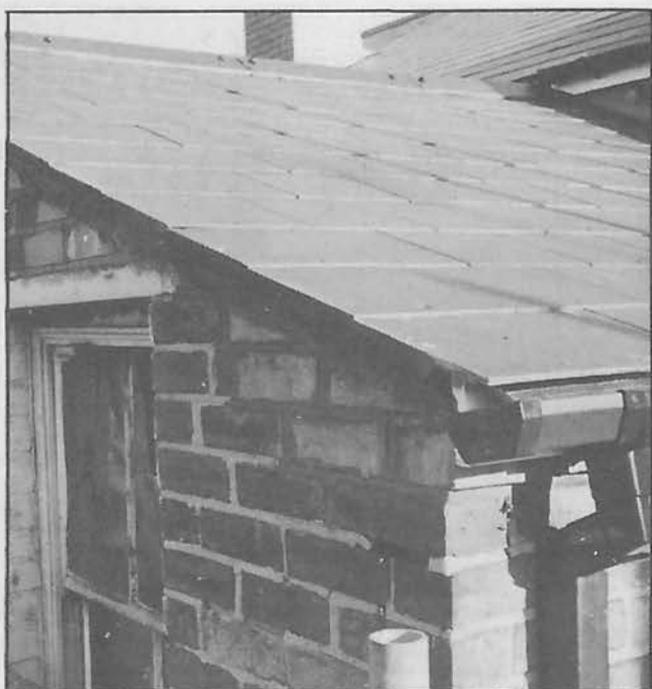
During the winter of 1977/78 the Architects department inspected the houses and drew up specifications. Contracts were finally sealed in March 1978.

McAlpines got the large contract — £783,000 — for 250 units, mainly in Wright, Havelock and Phillimore Roads. Comfort Systems took on George Arthur Road — 130 units costing £434,000 — with the shopping centre split between the two. In Little Green, HGS Contractors were awarded a contract for £829,000 for 250 units. Overall, 650 units improved for a total of £2,046,000 — an average of £3150 per unit.

Work began at the end of March 1978 in Phillimore Road and George Arthur Road and the whole area became a vast building site during the summer and autumn of 1978. But despite this, inconvenience and mess were no worse than a handful of individual jobs. Safety for workers and pedestrians was well above average. Scaffolding was used for all first floor and roof work. When the roofs were stripped the old slates were chuted down into skips and taken away each evening. The McAlpines work in Phillimore Road seems to have caused less mess and been completed more quickly than the follow-on contract to rebuild just the front boundary walls.

The old bay and sash windows have been replaced by similar styles, not louvres or mock Georgian. There is no imitation stonework, only Tyrolean finish to standardised colours. The doors are well designed and substantial. The original improvements with their motley of tile colours and paints have been blended in as well as possible. Three streets in Saltley now have a freshness and unity of design and colour that they have not seen since the 1930s when the traditional landlords began to sell off their houses.

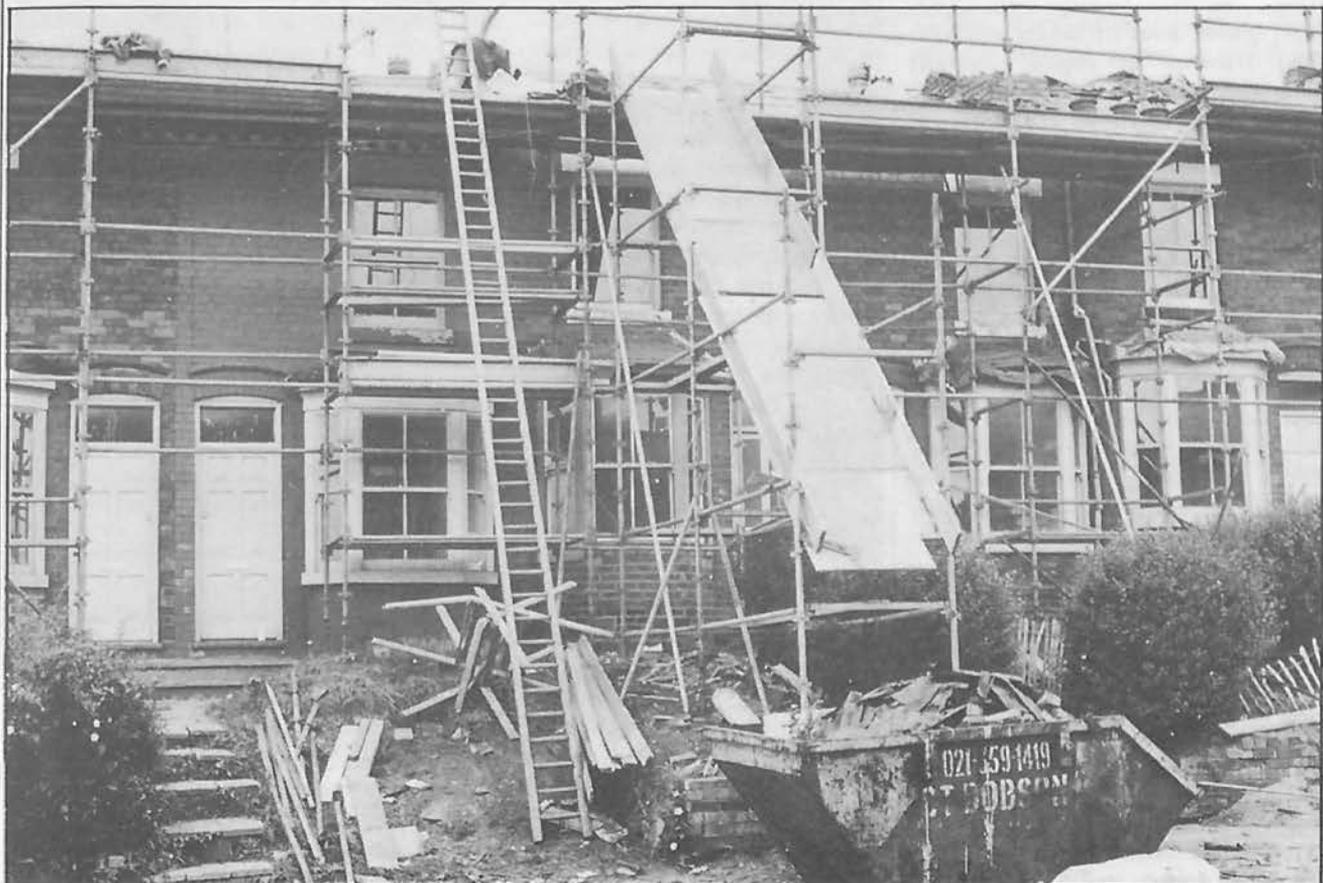
Of course, there have been problems as well. Some of these are endemic to the private building industry. Com-



Picture: GASP except opposite, lower, Brian Homer.

## FACELIFT GETS UNDER WAY





fort Systems declared itself bankrupt early in 1979, leaving the Council with a part finished contract. Residents caught painters thinning the paint and changes in supervisory arrangements by the Architects department led to a gradual decline in standards at the end of the contracts. On virtually their last block, McAlpines scaffolding collapsed injuring three workers and blocking the main road for several hours. As a result of all these problems residents have been asking if direct labour is not a better alternative.

Other problems arose out of the phasing of the operation in particular the roofing of wing buildings which needed rebuilding first. In George Arthur Road front gardens were turfed one week and the front walls dug up the next, ruining the new turf. Also in George Arthur Road, a legacy of the Comfort Systems bankruptcy, there have been problems with bad or non-existent guttering. Despite the safeguards too there have been complaints about rubbish and danger. After a year — plus the sporadic work for three years earlier — even the most patient residents become irate about skips, gravel, piles of bricks and half-filled trenches at regular intervals along their street.

The most aggrieved residents are, of course, those who had already completed improvements. Not only were they excluded from Operation Facelift, but its general high quality only exposed the inadequacy of what they were paying for themselves. Some with work two or three years old were beginning to find major problems — leaks or cracks — and their experience compared badly with that of their neighbours. Their complaints to Urban Renewal have not gone unheeded however and in some instances work paid for by Improvement Grants in 1975 or 1976 has been done again under Operation Facelift in 1978 or 1979. Others suffered damage by the Council's contractors and this too has meant renewal of some of the earlier grant work.

As the scaffolding came down revealing what had been achieved, people living elsewhere in Saltley began to ask "What about us?" They also began to ask about the Council's

sense of priorities in renovating shops, pubs and bingo halls when pensioners living in three General Improvement Areas were still living in damp and crumbling houses. Their resentment was only increased by hearing that many of the shopkeepers did not see the work done anyhow.

Tenants within the HAA began to see the advantages of Operation Facelift as double-edged too. Before Comfort Systems had finished their contract at least one landlord in George Arthur Road was applying for a rent increase for improvements paid for by public money. Others were waiting for their landlords to start the internal works, which all had promised they would do before Operation Facelift began. Some are still waiting today.

These issues were all brought to a Public Meeting in November 1978 attended by Councillor Bonner, Chairman of the Urban Renewal Sub-Committee. Though Bonner was clearly irritated by Urban Renewal's exclusion from the organisation of Operation Facelift, he defended its principles staunchly. He told residents that shopkeepers were rate-payers and everybit as deserving as anyone else. The residents of Saltley were, he said lucky to have shopkeepers at all. He also defended helping landlords as opposed to municipalisation, though he did announce that all owners were still expected to apply for grants to finish off internal works and that the Section 43 compulsory purchase order was not going to be withdrawn — only delayed to give people time to complete the work.

But Councillor Bonner could not promise any extension of the scheme. In fact by that date Birmingham was already meeting strong resistance to including more Facelift type work in the 1979-80 Inner City Partnership Programme. This opposition came from the Department of the Environment, who saw the scheme as expensive and undermining the existing grant scheme, and from the Minister of Housing, Reg Freeson, himself. The matter was finally settled, in Birmingham's favour, only after the Tory Government was returned in May 1979.

In the meanwhile the Council has

again been encouraging owner-occupiers and landlords in Havelock HAA to apply for Improvement Grants. With the major costs out of the way, expenditure on internal works, including new bathrooms, is once again within realistic limits. A large number of grants are being processed — especially in George Arthur Road where improvement is linked with freehold purchase (see Page 28). By March 1980, when the HAA designation lapses, Birmingham's first HAA will be finished and virtually all the houses will be at the 10 point standard.

Building professionals have argued for years that the only way to improve lots of old houses is do them in blocks with a single contractor. Now Birmingham has proved it and by passed the legal and financial constraints that normally make such action impossible. There have been problems with Operation Facelift but these have been minor organisational matters. At £3,000 per unit it has been relatively cheap too, though obviously the total cost, including Improvement Grant, will take it over the current limit of £5,000 per house.

But in another sense the rescue of Havelock HAA has been a failure as well. It has done no more than proving that bananas can be grown in the Arctic — given the right special technology. The ordinary HAA (like the ordinary tract of Arctic waste) cannot be rescued, because it is full of the problems already described in Havelock — finance company exploitation, leasehold tenure, private landlords, poverty and unemployment. Even in Havelock HAA with its new roofs and windows, these problems still remain. And the improvement in housing conditions is merely being passed on, in the form of higher house prices, to a new generation of owner occupiers. In Saltley where houses still average £5-6000 freehold, estate agents are asking £8-10,000 for houses included in Operation Facelift. Even leasehold houses are being priced over £7,500.

Operation Facelift could form the basis of changes in the Improvement Grant system, but it will not change the economic conditions which make owner occupation such a trap for working class people ■

# 6

## The politics of improvement



Roy Jenkins, MP for Stechford with residents of Havelock Road, local councillors and CDP workers in 1973. Two years later one of the first HAAs was declared in his constituency. He was a member of the Cabinet which only months afterwards started to cut back housing expenditure. The following year he left for a lucrative EEC job in Brussels. Picture: Robert Moore.

URBAN RENEWAL both in Birmingham and nationally has had to develop against the background of Britain's worsening economic and political crisis. When the programme first started house improvement was relatively well funded by the State. In 1973 with 75 per cent grants in many areas of the country,<sup>1</sup> total grants reached almost 240,00 (2,600 in Birmingham). In 1976, after three years of crisis and cutbacks, grants had declined to 73,000 nationally and only 1,700 were in Birmingham. By 1978 fewer grants were made than at any time since 1967 (58,000); Birmingham's total was only 1,200.

Urban Renewal was first conceived in the midst of an economic boom, to tackle the poverty which had been rediscovered in the heart of British cities. The idea was set within the framework of local government reorganisation. New local authorities were being set up, large and well organised enough to develop policies geared towards the modern requirements of British industry, and fully capable of providing for a well-housed, healthy and — hopefully — disciplined labour force.

The Birmingham Labour Party when it came to power in 1972, was fully equipped and confident to take on this role. Its leaders were determined to solve the problems of Urban Renewal within a matter of years. Writing in September 1974 for a full day seminar for all councillors and officers, Clive Wilkinson, leader of the Council which had recently taken control, described how

"The City Council's policy of Urban Retention is the first on this scale by any local authority in the country. This policy will involve the improvement of up to 75,000 houses in the next 10 years. . . . I am convinced it will be a great success story".<sup>2</sup>

The new Council backed the need for corporate management and the total approach to inner city problems, promoted by Conservative Local Government Minister, Peter Walker. Prompted by a new Chief Executive, the Labour Party sought to gear up

1. In Development Areas, i.e. N.W., N.E., and Wales, grants were 75 per cent of the costs between 1971 and 1974.

2. Urban Renewal Seminar Papers, 23 September 1974.

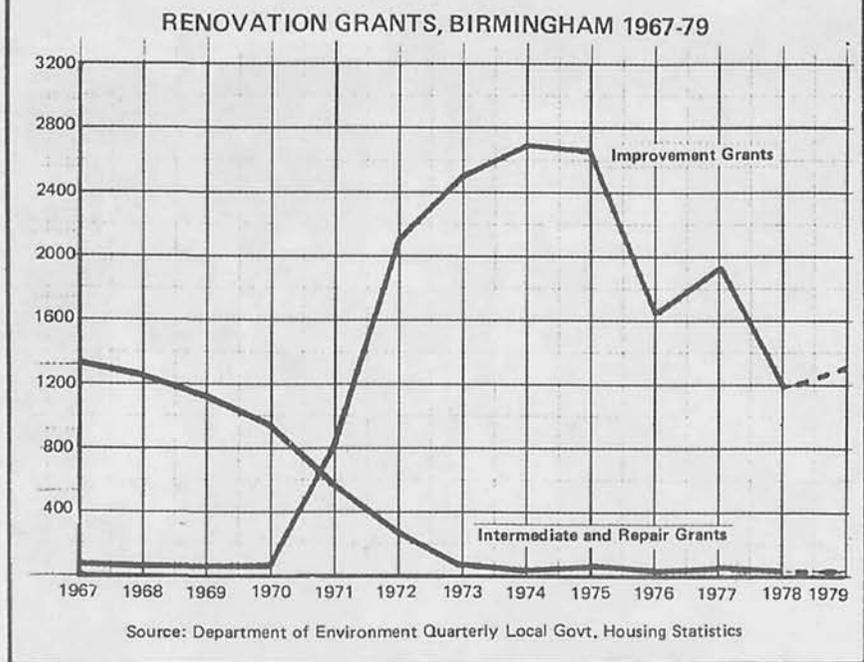
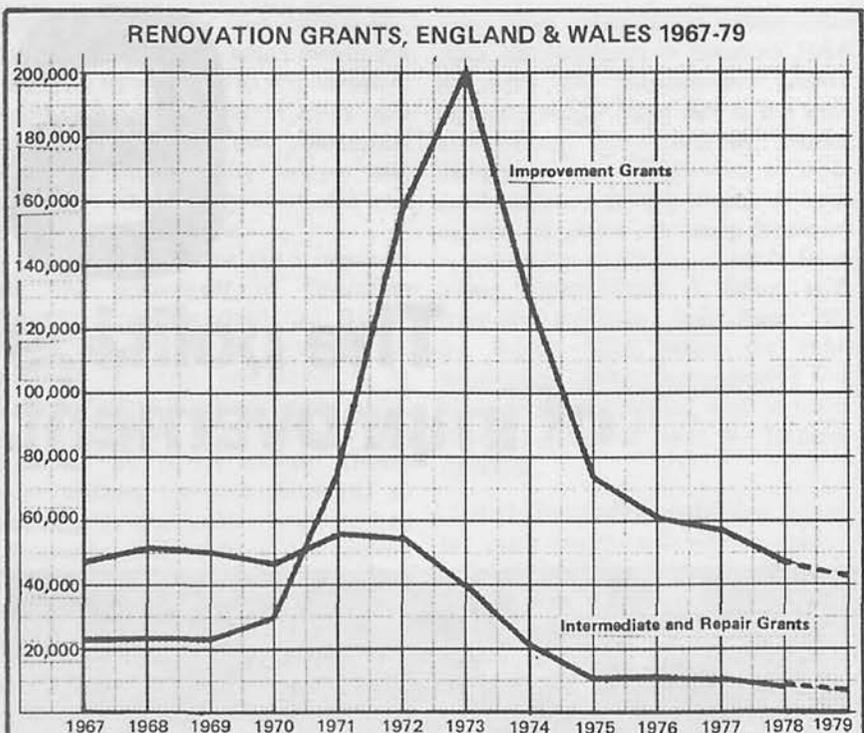
the local authority to the 1970s. It wanted to improve co-ordination and the delivery of services, to breakdown departmental rivalries, to root out inefficiency and develop from within and from outside a conception of the local authority as a dynamic big business. Gradually the methods and people were brought into the positions which would have helped to create this kind of interventionist role.

Urban Renewal was a test case. New methods of improving the service were introduced through the Area Teams and the Improvement Agency. The traditional hostilities and empires of important departments such as Housing, Estates, and Public Health were challenged via the establishment of the Multi-Disciplinary Team. Democratisation of the process was to be achieved by involving residents groups and Community Forum in committee meetings. Elaborate networks and monitoring systems were introduced to improve productivity.

The first blow to this master plan came after the economic crisis of 1974, and the cutbacks which were made by the new Labour Government. In early 1975, Denis Healey told local authorities to spend less on housing repairs and keep maintenance and management to 1974 levels. In the next six months further cuts were made in housing, health, education and local government services which reduced the living standards of the working people Labour was elected to serve.

As far as Urban Renewal was concerned it was the cutbacks in municipalisation and Council mortgages which most affected the programme, though the 1974 Housing Act had itself delayed improvement with its Rateable Value limits and S105 quotas.<sup>3</sup>

The Labour Government was committed to a policy of buying up private rented and empty property in areas like Saltley. But after the cuts, Birmingham and other local authorities were restricted to certain types of houses and told to obtain permission for any single purchase over £250,000. Circular 64/75 then restricted acquisi-



The graphs show clearly the dramatic change from grants for basic amenities to full improvement grants brought about by the 1969 Housing Act. The steep rise in the number of grants nationally 1971-73, is related to their 75% value in Development Areas during this period. After 1974/75 the effect of inflation, plus the lack of suitably affluent applicants, plunges the figures down. However in Birmingham at least the increase to £5000 in August 1977 is reflected in the year's total. At a national level the effect can be seen on monthly totals (See CES Review May 1979, pages 70-72). Figures for 1978 and the first part of 1979 are completions, not approvals, because DoE stopped publishing approvals from the beginning of 1978. This has dropped the figures to record low levels in 1978; the National Building Agency estimate that 20% of all approvals to do proceed to completion. Also because it takes up to a year to complete a grant improvement the slight upturn in Birmingham for 1979 reflects the upturn in approvals during 1977. Overall, the recent figures suggests that Birmingham is improving more houses than other local authorities.

3. Section 105 of the 1974 Housing Act gave central government the power to limit the amount local authorities spent on improvements to houses in their ownership.



**City of  
Birmingham**

Armond Grange Esq  
93 College Road  
Atum Rack  
Birmingham B8 3TB

10th December 1975  
Our ref: QP/M

standstill, or whether there will be even an element of expansion. I therefore think your campaign and resolution are premature and certainly the last two lines which talk about cuts in housing, education, health and social services have no validity at the present time.

Yours sincerely,

Councillor Clive Wilkinson  
Leader of the Council.

FROM COUNCILLOR CLIVE WILKINSON

Leader of the Council.

The Council House, P.O. Box 17,  
BIRMINGHAM B1 1BB. telephone 021 235 2131.

## City to make 9/6/75 mortgage plea to Government

VITAL talks are to be held by Birmingham City Council in London this week with Housing Corporation and Building Society leaders to try to prevent hundreds of couples being squeezed out of home ownership. The meeting has been arranged by City Council leader, Councillor Clive Wilkinson, following the Government mortgage advice.

Councillor Wilkinson said today: "All those people who have signed contracts will be able to go ahead as planned. And it is hoped that those given a verbal promise of an advance can also go ahead even if we have to advance slightly over the new limit." He added that it was hoped that the talks in London would mean building societies would be able to help the hundreds of other council house owners.

Despite the problems caused by the Labour Government's cuts, the Labour councillors chose to ignore or oppose any organised opposition to government policy. Clive Wilkinson, Labour Leader of Birmingham Council in 1975 insisted that leaflets detailing the cuts be removed from Saltley Action Centre and in December 1975 wrote to the Secretary of the Saltley Campaign Against the Cuts, "I therefore think your campaign and resolution are premature and certainly the last two lines which talk about cuts in housing, education, health and social services have no validity at the present time."

Times 19.9.77.

7

## Building societies 'not filling gap left by council mortgage cuts'

Building societies are not filling the gap left in council mortgages by the Government's cuts in aid to local authorities, the chairman of the housing committee of the Association of Metropolitan Authorities said in a statement yesterday.

Mr John Mills said a survey of members of the association showed that many building societies would not help buyers at the lower end of the market. Few members of the association were satisfied.

"Most report difficulties, and the majority regret the curtailment of the local authority role as 'lenders of the last resort'," Mr Mills said. "Few consider that the support lending scheme provides anything like an adequate substitute for direct council mortgages."

"Clearly, building societies, particularly at local level, need to do more to live up to the worthy sentiments being expressed by the Building Societies Association."

The statement said that a preliminary report of an inves-

tigation by the Department of the Environment showed that lending was up from £7m in April to an estimated £11m in June. But difficulties had resulted from the societies' "inflexibility", including unwillingness to lend on older or unimproved property, particularly in inner-city areas.

Mr Mills said that helping people to buy older properties was an essential part of local authority strategy for needy areas.

House building should get a government boost this autumn, it is argued in a report published today by Shelter, the campaign for the homeless.

Mr Christopher Boyd, an economist, points out that there is a large reserve of unemployed construction labour, together with a continuing need for more housing. Reflation in house building and improvement could therefore be used to reduce unemployment and improve social welfare without the risk of inflation.

Addressing himself to the Commons Expenditure

Committee with the aim of influencing an autumn budget, Mr Boyd says: "Housing has been a very neglected programme in recent years and any reflationary budget is seen as an opportunity to redress the balance. Houses are durable assets to the community. Decent, suitable housing is very important in bringing up children."

"A rational policy would be to build and improve more houses and avoid the severe consequences of a deteriorating housing stock."

Mr Boyd argues that statistical calculations may underestimate the increase in one-parent and one-person households needing accommodation.

He also states: "As soon as real incomes start to rise again a significant backlog of demand may well be released", forcing up prices and rents unless an adequate supply of homes is available. *The Right Type of Reflation: why housing deserves special attention* (Shelter, Waterloo Road, London, 25p).

limit was reduced to £100,000. But many councils did not acquire properties in Housing Action Areas because if they had, they would not have the money to *improve* them because of cuts in their improvement budgets. After 1975 municipalisation was no longer an important aspect of housing policy and since May 1979 has been stopped altogether.

The second major cut was on Council mortgages. In June 1975, mortgage allocations were cut by 50 per cent and local authorities such as Birmingham had to stop lending immediately. Would-be owner-occupiers in Birmingham need Council mortgages because building societies redline the inner city areas and they are forced to take finance and fringe bank mortgages at higher interest rates. The CDP 1974 Housing Survey had demonstrated that in Saltley only eight per cent of the new owner-occupiers obtained Council mortgages. In 1974/5 Birmingham had tried to coordinate its lending policy with the new Urban Renewal programme and to relieve the mortgage famine. In that year lending had increased from £2 million to £19 million. In 1975/6 the Council had hoped to increase its lending to £22.5 million. In the event the City had to stop lending until April 1976 and since then its mortgage activities have been very low key. The cuts undermined the Urban Renewal programme because the locked incoming owner-occupiers into higher rate mortgages, prevented those with existing fringe bank mortgages from transferring to the Council ones, and prevented leaseholders from borrowing money to buy their freehold.

The Birmingham Labour Party recognised the effect of these cutbacks and made representations to the relevant Department of the Environment committees. Anthony Crosland, Secretary of State for the Environment, argued in "Labour Weekly" that with building societies so flush with money that year, Council mortgages "are no longer so vital to keep the housing market going". The Government assured everyone that the building societies would fill the gap. This was always highly unlikely as the "gap" had been mainly created by building societies' policies in the first place;

tions to Housing Action Areas, General Neighbourhoods' and houses empty Improvement Areas and 'Priority for over six months. The £250,000

subsequent experience shows that the building societies totally failed to do what the Government asked, although the situation has probably improved very recently.

The Leader of the Council, Clive Wilkinson, was engaged in a series of unproductive meetings with local representatives of the building societies and a 'working lunch' with executives from the fringe bank Julian Hodge. Hodge subsequently withdrew from the inner city mortgage business, though financial commentators consider this to be the result of the merger with Standard and Chartered rather than the bad publicity the company received in 1975/6.

The second major blow to Urban Renewal came in 1976, when the Birmingham Conservative Party returned to power, dismantled everything to do with corporate management and sacked the Chief Executive. This placed Urban Renewal back in a weak position relative to other traditionally powerful departments. It left senior officials treading cautiously round corridors of power, fearful of stepping into the limelight by getting "too involved" and being sacked themselves. It subsequently led to disillusionment and apathy among many local government officials, particularly within Urban Renewal. Those that had been brought in in 1973 began to look for jobs elsewhere, fearful of being labelled — like the Chief Executive — as a Labour sympathiser.

The emphasis on inter-departmental structures, the prying eye of the Performance Review Team, the use of Council employees to do work usually done, for fees, by private practice, e.g. the original Improvement Agency Scheme, have all disappeared therefore. As a result there is now less co-operation between departments than before, which means more delay and more confusion. In Aston, land earmarked for industry was allocated by another set of officials for leisure purposes. In Nechells the reverse has happened. The City Treasurer is still holding up improvement work by taking up to six months to process applications for loans to enable owners to pay their share of the costs.

A report on staffing to the Urban

Renewal Sub Committee in October 1977 notes: "In the absence of adequate staffing by other departments, the environmental staff assume the major burden of the tasks associated with the general replanning of the Housing Action Areas and many duties and requirements have been identified over the past two years which would normally fall with the purview of other departments". (our emphasis).

There is clear recognition therefore by the Urban Renewal officials that the programme depends on multi disciplinary work based in the areas where the houses are to be improved. Most Urban Renewal staff have learnt this the hard way during the past four years; by being placed in these areas and having the social, housing and environmental problems thrust upon them. Unfortunately, the commitment to the job of solving these problems and the need for common defence and action against the hostility and indifference from other departments — sometimes even from other sections of the Environmental Health Department — has almost sapped the energies of several of the Urban Renewal Teams.

## The Labour Party

The trend towards supporting owner-occupation, even to some extent, the trend towards improving old houses found the local Labour Parties and the councillors quite unprepared. In the two wards in which the CDP was located, Washwood Heath and Saltley, the bread and butter of Labour politics is the expansion, quality and allocation of council housing; the party stalwarts are nearly all council tenants. In 1975 when the Havelock Housing Action Area was declared, four of the six councillors were themselves council tenants. One had only recently been rehoused from a clearance area in Small Heath.

As the Labour Government shifted its policies towards increased owner-occupation for the working class, these councillors found their own political beliefs threatened. And, unlike policy orientated civil servants and local government officials, they found it

difficult to alter their beliefs in order to step back onto the official party line. Indeed some, especially the older ones, who have spent half a lifetime pushing through policies of large scale redevelopment, are still not convinced that large scale improvement is a satisfactory alternative. Because a major part of their political activity is listening to tenants' complaints about the repairs needed to inter-war and post-war council housing, they shrewdly assess that the trend towards improving old, worn out pre-1919 houses is going to bring even more complaints about repairs to their local advice bureaux.

This resistance to the new policies was reinforced at first by lack of information. In 1973 none of the local councillors seemed to know much about improvement grants, loans and mortgages. Traditionally, the people they met from the privately owned areas in Saltley were trying to get out *into a council house*, not move the other way into house purchase and improvement. Neither did the ward parties have a different perspective. Their membership, though small, is rooted on the housing estates and does not require them to bother with these issues.

Initially, e.g. at the local meetings in November 1973, local councillors were involved and Washwood Heath councillors in particular were instrumental in setting up the Havelock and Wright Road Street Group. But when it became clear that the council machinery was treating different parts of Havelock Road separately, that large scale municipalisation was *not* the objective and that the improvement Grant Scheme was inadequate to cover the normal improvement costs, they withdrew, baffled. The professional workers in Urban Renewal were left to explain the contradictions of government policy to local residents.

Again, in 1975, when the government's arbitrary and retrospective housing cuts e.g. to Council mortgages were having their worst effects on Saltley, councillors were unable to position themselves with local activists in criticising the government. The councillors and ward parties, faced with an issue which drew them first of all into criticism of a Labour government and

then into debate about the role of "respectable" institutions like building societies, found themselves on new and difficult ground.

Instead motions were passed and the councillors raised the problem with the Labour Leader of the Council, Clive Wilkinson, who in turn made representations to government committees. The effect of this action was nil.

At about the same time (September 1975 — February 1976) it became apparent the Improvement Agency Scheme was not going to get lots of houses improved. It was also the time of the Housing Action Area Plan.<sup>4</sup> Despite attempts by CDP to get the councillors involved, Urban Renewal managed to convince them that the plan was an exercise involving only residents; it lay outside the realms of politics. The councillors acquiesced in this repudiation of their function — apparently with a sigh of relief — although two did attend an initial meeting after prompting by CDP.

By 1976 — with the crucial May elections pending — Urban Renewal, with its focus on owner-occupiers and people who were not traditionally members of the local Labour Party, was proving complicated and potentially very time consuming. Moreover, it appeared to have few electoral advantages as there was so little success. The reasons presented to them about the failure of Urban Renewal by CDP and by residents involved fundamental criticisms of either the government or the socio-economic system as a whole.

Early in 1976 therefore, the councillors retreated from any further serious involvement in Urban Renewal although a much larger percentage of the local electorate is now affected because of the declaration of several new General Improvement Areas. They will respond to meetings and demands organised by residents themselves, but take no independent initiatives within the ward party or the Council. When the meetings are held, they themselves have little to say and do not seem to understand the complex issues as much as local residents. They



Cllr. Collett (with microphone) is Tory councillor, representing the outer ring area of Acocks Green. In 1976 he took part in an Anti-Immigration demonstration in London, organised by national fascist parties. Other Birmingham Tories, including councillors were present. Picture: Searchlight

offer no effective leadership to working people in the area.

The problem is that the ward Labour Party is little more than an electoral machine and the councillors see themselves as advice workers only. Policies and political questions are rarely discussed within the ward parties themselves, and certainly in the last five years there has been no major political public meetings organised by the local Labour parties. Individualising local people's problems, relieves Labour councillors in the area from discussing the real reasons for the failure of Urban Renewal, the nature of working class owner-occupation, the role of business interests in private rented housing, the cutbacks and the role of Council intervention in the area. And it means they do not have to enter into debate if it conflicts with loyalty to the Labour district and national leadership. Today, the local Labour Party knows that whilst the national leadership extols the virtues of owner-occupation, the reality for most of the working class owner-occupiers in the area is very different. The ward parties stand isolated from

tackling the real problems and issues which people in the area face, dependent entirely on the hard — but often apolitical — work done by councillors and MPs at their advice bureaux.

This isolation appears to have permeated the District Labour Party as well. We do not recall that there has been a proper debate on Urban Renewal at this level since the programme was launched in 1973. Yet the problems in many other parts of the City are worse than Saltley, and particularly since 1976 there have been many issues requiring the fullest debate. Nor do many Labour councillors maintain a link with Community Forum, the co-ordinating group for all the tenants and residents associations in Urban Renewal areas.

## The Tory Party

Birmingham's Conservative Party is dominated by small time businessmen, solicitors, estate agents, builders and shopkeepers. Many are often racist, and anti-trade union. Their individualism inhibits even the development of policies within their own party.

4. Further discussion of the Area Plan appears on Page 60-61.

Under Tory rule in Birmingham the ad hoc has been elevated to a symbol of progress and attacking liberal minded officials has been applauded.

The Tories have a problem in developing appropriate policies for Urban Renewal. Much of their electoral support is Outer ring and specifically racist; it regards pouring money into inner city immigrant areas with distaste. But the Party is also concerned to make owner-occupation work. Indeed several Tory councillors earn their living as solicitors or estate agents by collecting fees from owner-occupiers. If the system is in danger of collapsing, the Tories will subsidise individuals at any price rather than admit the need for more public housing. Another significant element within the Party are those who see the potential business, especially for building companies, that improvement work can bring. Again several Tory councillors earn their living as directors of building companies.

As a result the Conservative Group like the idea of 'Operation Facelift' because in practice it guarantees work to building firms and it provides subsidies to private landlords, so avoiding further Council acquisition. They have also been anxious to use it to improve conditions for local shopkeepers. They were quite taken by surprise therefore when local residents and shopkeepers made it clear that they were *incensed* that money was being spent on improving empty shops and undermining the security of existing shopkeepers when the money could have been used to improve the chronic housing conditions of many elderly tenants and owner-occupiers in the area and help the existing shopkeepers buy their freeholds.

Tory interests and sympathies in the inner city lie with the small businesses, shopkeepers, landlords and builders, not with the mass of local residents, and their actions frequently lead them into subsidising and supporting this group as opposed to ordinary residents. A good example of this is the 34 council dwellings which have been built in the Housing Action Area in Adderley Road. Originally these houses were to be built by the Construction Department (i.e. direct

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19th July 1978.

Dear Miss

re: Bennetts Road, Washwood Heath.

Further to your telephone message yesterday I assume that what you require is an estimate of the total cost of purchasing both freehold and intermediate leasehold interests on the figures which we already have before us. It would seem that this is likely to be as follows:-

As to the freehold interest

Purchase price	480. 00
Surveyors fees	48. 24
Legal costs estimated at	65. 20
	593. 44

As to the Intermediate leasehold interest

Purchase price.	65. 00
Agents fees.	22. 68
Legal costs (again estimated at)	54. 00
	£735. 12

In addition to this, there will be our own charges in the matter which we have estimated should not exceed £95.00. This makes a total in all of £830.00, but you will appreciate that the legal costs which will be charged by the Solicitors acting for the Freeholder and Leaseholder may be either more or less than the estimated figures given above.

Yours faithfully,  
BOSWORTH BAILEY COX & CO.

In 1976/77 20% of all Tory councillors on Birmingham City Council had professional interests in property and building or its sale and valuation. Moreover the influence of this group was dominant on the Council's committees; it supplied the Chairman of Finance and Priorities, Environmental Health (of which Urban Renewal is a sub-committee) and General Purposes. In addition it had strong representation on Planning and Highways, Environmental Health and Finance and Priorities. In 1978 and 1979 this group also supplied the Chairman of Planning and Highways Committee.

The leader of the Council, Neville Bosworth is included in the group, and being a senior partner in a firm of solicitors derives an important part of his income from conveyancing. The firm, Bosworth, Bailey, Cox and Co, also acts for several property companies which buy houses and sell them at a profit to owner occupiers.

Such a company is Fellden Investments Ltd., one of the Dennis Fell Group of Companies. The company was registered at Companies House in 1962. The formation documents were drawn up by Percival Trevor Gray, another partner in Bosworth Bailey Cox and Co. The company and Bosworth's firm of solicitors have therefore been closely associated since its inception.

As part of its normal trading activities, the company bought, in March 1967, a leasehold house in Bennetts Road, Saltley for £900. In December 1967 the house was sold again, this time to Miss M, who became the owner occupier. The price was £1,595 - a profit of 75% in only 9 months - and Fellden Investments kept an intermediary interest in the property, yielding a further £2.50 per year.

Bosworth, Bailey Cox and Co assisted

with the conveyancing to Miss M and also with drawing up the mortgage documents. This mortgage, of £1,000, was with the Saltley and District Permanent Money Society at a rate of 12½%. Bosworth Bailey Cox and Co are also solicitors for the Trustees of the Society and Neville Bosworth is himself Chairman of the Society's Committee. Not surprisingly when the Society raised its interest rate to 14% in 1976 it was Bosworth Bailey Cox and Co who notified Miss M of the change.

At the end of 1977 Miss M paid off her mortgage and decided to buy her freehold. She approached Bosworth Bailey Cox and Co who were glad to oblige. After corresponding with the freeholder and their friends in Fellden Investments, they sent her this letter. It indicates that out of a total of £830 only £480 would go on buying the freehold. Bosworth Bailey Cox and Co expected to receive £150 (18% of the total) themselves - £95 in fees for Miss M's legal costs and £54 in legal costs for Fellden Investments, for whom, in earlier correspondence, they said they also acted. Later these fees were reduced.

Over a period of 10 years therefore, the sale of this house into owner occupation has earned Bosworth, Bailey Cox and Co legitimate fees for several transactions - the conveyance, the mortgage and the purchase of the freehold - as well as fees for acting in various capacities for Fellden Investments Ltd., and Saltley and District Permanent Money Society. Yet neither of these organisations would flourish and provide work for solicitors without an increasing number of owner occupiers. Not surprisingly Neville Bosworth is in favour of owner occupation and as a politician helps to develop policies which support and expand this form of tenure.

# Council pledge to Midlands builders

by KENNETH JACKSON  
Mail Property Correspondent

**WEST Midlands builders have received a pledge that they will get the bulk of Birmingham's future construction work.**

The city's housing chairman, Mrs. Freda Cocks, said "As far as we are able, we intend to give work to locally based builders so that it keeps them in business, and our own men in jobs.

"We remember well those builders who helped us out during the boom when we could not get people to build for the city."

Coun. Mrs. Cocks added: "We find that if a local

builder goes outside the region for work he rarely gets it.

"So we feel we should not take on outsiders when we have our own builders here on the spot."

## Back door

She also ruled out any move by Birmingham to extend its direct building department so that the city could move even further into

the domain of the private builder.

The Government backed extension scheme is seen by builders as a "back door nationalisation" attempt which could cost ratepayers many millions of pounds on the rates.

Coun. Mrs. Cocks said: "We do not intend to extend our direct labour department.

"The city's construction department was already formed when we took over, and it would have cost an awful lot of money to disband it.

"But at the same time we feel the construction depart-

ment must compete in the open market with builders without any favouritism."

Coun. Mrs. Cocks' statement was welcomed today by builders throughout the West-Midlands.

Mr. Eddie Forsyth, Midlands Regional Director of the Federation of Master Builders said the past history of direct labour departments was of excessive losses which came out of the pocket of ratepayers.

Many other firms could go the same way as Midland building firms, Greaves and David Charles, both of whom have called in Receivers recently, following financial troubles, he said.

The Tory Chairman of the Housing Committee sums up her party's commitment to local builders, Birmingham Post 13.12.76.



Local builder J. Harper & Son reaps the benefit. In January 1977 they took over the only new housing development in the HAA from the Construction Dept, who were deliberately ordered to stop working on the site, Picture: Brian Homer

labour.) The Construction Department started work on the site in 1976 and completed more than £70,000 worth of site works before they were taken off the job by the new Conservative Council. The contract was then negotiated with a builder called J. Harper & Son (Black Heath) Ltd. who agreed to complete the contract for £312,000. Yet the Construction Department would have completed the work for only £303,000. This action cost Birmingham ratepayers an extra £9,000, at least; the figure may even be higher when the final accounts are settled.

In the Council House today, management of the affairs of the largest local authority in the country is in disarray and will get worse as a result of the 1979 elections. Interdepartmental rivalry and bureaucratic bungling is worse than ever, as the history of the Lonrho negotiations shows. The Council no longer even has the capacity to mend the roads and, in a unique move, have been deprived of its Agency agreement by the County Council — itself controlled by the Conservatives.

As far as Urban Renewal is concerned the worst thing of all, is that the Inner City Partnership Programme, (ICPP) and in particular the Inner City Construction Programme, which funded 'Operation Facelift' have both been carried out in a manner unrelated to the activities of the Urban Renewal Teams. Effectively, the Urban Renewal Department has been squeezed out by other departments into a much narrower role, concerned only with house improvements for owner-occupiers. It is unable to cope with the wider issues we have explored.

This was brought home to Saltley residents at the November 1978 public meeting with the Chairman of Urban Renewal. Time and time again Councillor Bonner was forced to apologise to local residents for the fact the Urban Renewal was beholden to other departments — Architects, Planners, Estates, — many of whom cannot readjust to the priorities of inner city areas. In his own words, "I just cannot get the co-operation of my colleagues".

All this masks discussion of the real political issues thrown up by the

Urban Renewal programme, at a political level, at officer level and with local residents. The Conservative Party cut the relationship between Community Forum and Urban Renewal as soon as they took control in 1976. Frequently they prevent Urban Renewal officers from coming to public meetings with residents and local councillors and turn up themselves only reluctantly, as in Saltley in November 1978. As a result, many residents blame the lack of public participation for the failures of Urban Renewal instead of looking at the issues more deeply.

This means that there is a silence about the fundamental problems which require political decisions. For example, is Urban Renewal possible given the current level of finance? Is improvement really worth it? What are the prospects for residents who do improve, surrounded by houses which are falling into disrepair at a faster rate, and where employment prospects are grim and the likelihood of permanent unemployment very real? Is owner-occupation preferable to being a Council tenant especially if you are elderly, unemployed or low paid? In such a situation the officers develop technical solutions like 'Operation Facelift' and sell it to the councillors according to their political allegiances. The Labour Councillors like the Facelift scheme because it means working class people are getting better housing. The Tories like it because it avoids municipalisation, supports owner-occupation and provides work for their friends in the private building industry.

But, while 'Operation Facelift' may have shown how to solve the problems forced on local authorities by inadequate government policies — and even won all party local support — it has not, inevitably, won central government support. This is because it is an expensive solution. State expenditure on housing is now under the strongest attack for decades. The Tory Government is going to look a lot more closely at the possible cost of 'Operation Facelift' if applied nationally and be a lot less convinced about its advantages. But the issue of owner occupation will be central to what ever changes in Improvement Grant

legislation are made and this will at least move the discussion back on to a political level ■

# 7

## Planning for people

THE improvement of housing in the Havelock Housing Action, will not mean much if it remains unsupported by action to improve the rest of Saltley. Although housing must be given top priority, and the Housing Action Area legislation put emphasis on obtaining decent housing conditions first, the investment will be wasted if the surrounding environment and quality of life continues to deteriorate. Like most inner city areas, Saltley suffers from large articulated lorries rumbling night and day through the narrow residential streets; there is a lack of employment and modern health facilities; the schools are overcrowded; and other local authority services, such as street cleaning, seem to be at crisis point. The shopping centre is declining and even corner shops are disappearing.

The response to this situation by central and local government has been negligible. After 25 years of neglect, including 10 years of poverty programme experiments, such as EPA (Sparkbrook 1968-71), IAS (Small-Heath 1973-76) and CDP itself, the State, in 1977, came up with the Inner City Partnership Programme.<sup>1</sup> Yet so meagre are the resources provided under this programme, that Saltley, has had to take second place in the list of priority areas, while the thin layer of extra cash is spread round the even more disadvantaged areas of Sparkbrook and Handsworth.

But the basic causes for Saltley's decline are not to be found in lack of State intervention. Indeed, in the fundamental issue of employment, the State has been very active, by rationalising and modernising the local railway and gas industries. This process has closed job opportunities down and thrown many out of work, as is described in Birmingham CDP Report No.2, 'Workers on the Scrapheap'. At the same time the State has helped private industry to restructure, throwing even more on to the dole. It is estimated that 10,000 jobs were lost

1. The Birmingham Inner City Partnership, is composed of the West Midlands County Council, Birmingham City Council and relevant departments of central government "joining together in a combined effort," to try and resolve inner city problems, by entering into a partnership, to prepare a programme action for a period of up to ten years.



Lorries in congested Ash Road. Picture: Brian Homer

locally between 1965 and 1975. In the Inner City Areas as a whole, 52,000 jobs were lost between 1971 and 1976.

This devastating loss of employment has meant a reduction in living standards, less money available to spend on house repairs and in the local shops, high mobility of the area's more skilled workers, leading to loss of community and the political organisation required to pressure for better local authority services. The land vacated by the traditional industries, has been replaced to some extent by modern warehousing, leading to the recent increase of heavy lorries, which damage the local environment. Other land has remained vacant, giving the area a derelict reputation, which in time has affected the residents' own perception of themselves.

A rationally organised society might have planned for these major economic, social and land use changes in a different way. But the residents of Saltley have been assisted during this period of change only by redundancy payments (which were not in existence until 1966), Social Security benefits and the local offices of the Department of Employment. No response other than to cope with peoples' basic financial needs can be detected throughout the 1950s, 60s and most of the 1970s. The idea that we live in a planned society is not supported by the post-war history of areas like Saltley which, despite going through these major changes, remain today, a victim of 30 years of disinvestment and neglect.

Of course, in few areas of British life is there the kind of integrated approach to fundamental problems, that might justify the title of "planned". Transport, employment, housing, health and social policies are organised in relative isolation at both national and local level. The hub of the wheel is seen as the profitable production of goods for consumption and for export; all aspects of State intervention relate directly or indirectly to this goal — but not necessarily to one another. As a result resources were, for example, made available to restructure the motor industry in the Midlands to increase its viability, but no policies were developed in parallel to deal with the



Relics of one of Saltley's traditional industries. Picture: Brian Homer



The Morris Commercial Works is transformed into a modern trading estate. Picture: Brian Homer

resulting surplus of land and labour other than the Redundancy Payments Act, mentioned above.

The State activity, which is designated as planning i.e. a complicated system of land use and building controls derived from the Town and Country Planning Acts, is just one of the many spokes in the wheel which lead directly to the hub of profitable production. In many ways the town planning system, and the town planners that run it, are even more irrelevant to the problems of the residents of areas like Saltley than the officials of the other council departments. This is because town planners can prevent development but rarely initiate it; and because Town Planning is never allocated any significant amount of local authority expenditure.

## Replanning inner city employment

The reality of town planning in a declining inner city area was demonstrated quite clearly in the early days of Birmingham CDP, by the closure and redevelopment of the Morris Commercial Works in Arden Road, about a quarter of a mile from the HAA. This major 13-acre site had once been the proud home of Wolseley Car. When the company was merged with Morris in 1926 and later into British Leyland, Commercial vans were assembled there.

At the end of the 1960s, British Leyland devised plans to centralise van assembly elsewhere; slowly the Arden Road site was run down. In 1972, production ceased and although storage of car bodies continued there right up until 1974, British Leyland sold the site during 1974 to a small property company — Ariel Developments, for about £1 million. Ariel Developments were backed with finance from George Wimpey.

The Morris Commercial site has several important features. It is alongside the main London/Birmingham railway; it shares its principal road frontage with a residential area; and it overlooks a new primary school and Saltley's only park. No town planning scheme devised today on a green field site, would allow such a land use relationship — the 'natural'

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24,750 sq. ft. (3 units of 8,250 sq. ft.)

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One unit of 8,250 sq. ft. remaining.

**BLOCK 3**  
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**BLOCK 4**  
42,000 sq. ft. (4 units of 10,500 sq. ft.) This block could be further split to give four units of 6,000 sq. ft. and four units of 4,500 sq. ft.

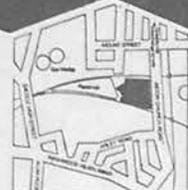
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This latest Mucklow development will provide 32,000 sq. ft. of factory and warehouse space with nursery factory units from 1,750 sq. ft. and warehouse/factory units from 3,000 sq. ft. up to 45,000 sq. ft. These will be ready for occupation towards the end of 1978.

The estate entrance is in Aston Church Road, just half a mile from Gravelly Hill Interchange and two miles from Birmingham City Centre. Ancillary services including lighting and heating can be leased from the developer and short term leases are available from three years.

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Both Trading Estates are on land released by British Rail only 200 yards from Saltley's residential area. 30 per cent of Aston Church Trading Estate is now used by TI Bainbridge Silencers as a super depot. The firm also has a fleet of juggernauts which have to pass through residential streets to reach the new depot.

boundary of the residential area would be seen as the railway.

In 1974 the price of residential land, judging from the "package Schemes," which the City Council funded at that time (see p.33) was about £50,000/acre. To have purchased the Morris Commercial site for housing, would have cost about £75,000/acre — an expensive site, but one which would probably have attracted central government subsidy. But councillors were never given an opportunity to consider alternative uses for the site. Indeed, local councillors were not even informed there was a redevelopment scheme, until planning permission was almost granted.

Instead, the Council's town planners, responding to initiatives made by Ariel Developments, worked out a redevelopment scheme for the site. The future use was to be a speculative estate of warehouse units. In preparing this plan, no attention seems to have been paid to the traffic generated by such a scheme and how it would affect the surrounding residential area. Later the town planners were to argue that the new scheme was an improvement because it cut down the number of access points to the site. But this is only an improvement of the through traffic; it worsened the situation for residents by speeding up the traffic flow. They also argued that the landscaping — a narrow strip of grass, with three birch trees — would be beneficial to the area!

The change of use of the site, from manufacturing industry to warehousing, was also ignored. The Morris Commercial, in 1969, had employed 3,500 workers, many of whom lived locally; the new warehouses would employ only several hundreds, and these jobs would be worse paid than the ones they replaced. In fact today, with more than half the site still unused, there are less than 100 jobs there. However, the town planning system does not allow the planner to dictate to speculators like Ariel Developments, what kind of jobs they should build for. This is left to the market to decide, and Saltley, being very accessible to the M6 is seen as a good location for warehousing. In any case, to obtain planning permission to build industrial units, Ariel would have needed an Industrial Development Certificate. Although this may have been granted by the Department of Employment, it is easier for both developers and planners to allow warehouse units to be built at the speculative stage, leaving any potential industrial users to obtain their own IDC, and arrange the necessary change in the planning permission.

The meetings between Ariel Developments and the town planners were held before the planning application was even made. When it was submitted therefore, in August 1973, it already had the blessing of the planners themselves. As a result, the protests raised



Residents campaigned for over 10 years for the scrapyards in Aston Church Road to be removed and the area restored to allotments. In 1978 they were successful only to find that British Rail, the owners, now intended to build factory units on the land.

by residents, through CDP and local councillors, were not well received. Alternative plans to direct traffic away from the residential streets, by providing new railway sidings and a rear access road were not even answered. A public meeting, which Ariel Developments refused to attend, became no more than an apology for the town planning system, delivered by no less than the Chairman of the Planning Committee. It was, he said, too late to look at alternatives; which hardly impressed residents, who had no way of knowing about the months of secret negotiations which had preceded the application being submitted.

However, the Planning Committee, decided to defer the application for further investigation of residents complaints, and at subsequent meetings in March 1974 it was agreed that Hams Road, the street most likely to be affected by the increase of traffic, would be blocked off. Also that the developers would be expected to lease the buildings in the first phase to industrial users. If they did not they would not get permission for the next redevelopment stage.

Both promises proved worthless. Senior Urban Renewal officials subsequently vetoed the road closure on the grounds that it had not been through *their* public participation procedure — procedures which did not of course exist early in 1974 when the

meetings were held. Ironically, now that it has been agreed — again — to block Hams Road, still nothing is happening because the plan approved by Urban Renewal with residents is held up by the failure of other officials to process it through the Council's bureaucracy.

Even more unbelievable, is the saga of land use on the new warehouse estate. On completion, the new buildings stayed empty for more than a year, because of the property slump. Then, in 1976 a Cash and Carry firm, Landmark, which had suffered a fire at its existing premises, moved on to the estate amid whole page advertising in the local Press. This move not only conflicted with promises given earlier, but was actually illegal, because Cash and Carry is considered to be a retail not a warehouse use under the town planning legislation.

Further protests were sent by residents to the planning committee, reminding them of the earlier agreements and pointing out that a Cash and Carry warehouse would be the worst possible use for local residents because of the high level of traffic it would generate. The protests were ignored and Landmark's illegal activities were endorsed by the Planning Committee. Months later, pleased with the commercial success of their new location, Landmark decided to expand. Though under no duress as before (because of fire damage) they

brazenly moved into yet another unit, without getting planning permission. The Planning Committee approved of this too. Subsequently, in 1978, Debenhams opened up a storage depot on the trading estate — again without obtaining the necessary planning permission. Today there is only one small manufacturing firm on the entire estate, and this employs less than 10 workers.

## Development plans & traffic

The heavy traffic generated by these firms' activities now crashes through Saltley's residential areas seeking a short cut to the motorway. They join the freight liner container trucks, the skip hire and concrete mixing lorries from the adjoining industrial area, and the hundreds of other heavy vehicles which pass through the area each day. And all the signs are that traffic noise and pollution will get worse with the new warehouse estates attracting Cash and Carrys as well as normal industrial traffic. The first firm to move onto the new Duddeston Trading Estate, which is even closer to the HAA, was yet another Cash and Carry.

The industrial land around Saltley and its housing improvement areas is being turned into one vast storage depot. The majority of all the firms on Mucklow's Saltley Trading Estate (established during the 1960s on the old site of Metro Cammell) are warehouses dealing in televisions, steel, GPO equipment and carpets. But the largest building of all is a Cash and Carry. Behind the original trading estate, British Rail have recently sold to Mucklow's another site on which has been built the Aston Church Trading Estate. This spills traffic direct onto Aston Church Road — like Arden Road, a busy street already taking more traffic than the residents who live along it can bear. There seems no end to the new lorry traffic being squeezed through the area.

The inability of the local Council to deal with the growth of warehousing and the traffic and environmental problems it causes, derives principally from a town planning system, which on occasions hinders

the ambitions of the owners of developable land, but rarely challenges them. To do so requires a complete change of philosophy and legislation — and also, under present compensation schemes, a lot of money. The Community Land Act, might have been a help in this respect — had it been brought fully into force by the government that enacted it. But the recent change in government will see the potential of the Community Land Act swept away, and only its usefulness to developers (by giving local authorities the power to assemble land for private development) retained.

Even so, Birmingham's town planners have been extremely slow to use even the planning powers they do have. The redevelopment of the Morris Commercial site (13 acres), as well as the redevelopment of part of the Metro Cammell Works (46 acres) as the Saltley Trading Estate, the development of the railway land behind Adderley Road and off Aston Church Road (18 acres) as the new Duddeston Trading Estate and the Aston Church Trading Estate, have all taken place outside the framework of any approved Development Plan. Thirty years after setting up one of the most complicated — and allegedly sophisticated — town planning systems in the world, Birmingham remains unaffected by the main purpose of the legislation. There is no District Plan and no Action Plan — despite the almost total change which has engulfed the area in the past 15 years. The officials who do the day-to-day work of processing the planning applications are not, therefore, entirely to blame for their blinkered approach; they have been given no overall context for their work by their colleagues.

Nor, as a result, is there any Traffic Plan — just a series of proposed road improvements which shift backwards and forwards in response to government spending priorities, and get bigger or smaller as fashions in road design come and go. There have been no road improvements or realignments in Saltley since the motor car was invented. An entire era of industrial growth has taken its traffic off the railways and canals, which gave the area its rationale, and put it on to residential streets, designed for the horse and cart. A second era is now

well advanced, using juggernaut lorries bigger than the houses they damage with their vibrations.

The Partnership Committee, set up to revitalise the Inner City, has recently brought some of the old road schemes down from their dusty shelves, and given them starting dates in 1981 and 1983. But these — if built — will only speed up and increase traffic, especially lorries, to the benefit of commercial interests. The details of the road closures demanded by residents — some of which have been agreed through Urban Renewal's public participation exercises — have not been announced. Trapped alongside the growing concentration of warehouses, Saltley's HAA and GIAs are slowly being ripped apart by the increasing number of lorries using their narrow streets, and there seems to be no official recognition of the need for urgent action.

## The decline of the shopping centre

After a job and decent housing in peaceful surroundings, one of the major needs of Saltley's residents is probably good local shopping. In the past this has been provided on Alum Rock Road, supplemented by a smaller centre on Washwood Heath Road, and lots of corner shops, including two groups of shops in Arden Road and Adderley Road.

But the growth of the big stores, both inside and outside traditional shopping centres (including the new Asda Superstore at Aston Villa Football Ground, only a mile away), the use of Cash and Carrys for retail purposes, the cutprice nature of modern retailing, and the loss of prosperity of Saltley's residents, have all seriously affected Alum Rock Road. The Co-op is nearly closed down, along with 48 other shops (20 percent of the total) and many of the specialist or quality shops have disappeared, to be replaced by secondhand clothes, electric and furniture stores.

Part of the shopping centre is in Havelock HAA. When 'Operation Facelift' was launched, the Council decided it was time to rescue the

shopping centre as well as the houses. All the shops in the HAA (about 50), as well as 44 more in adjoining blocks, have therefore benefited from the scheme and been provided with new roofs, windows and shop fronts. In several cases the extent of external repairs has meant rebuilding part of the interior. The Bingo Hall, owned by Ladbroke's, and the pubs, owned by M & B and Ansells breweries, were also included.

Not surprisingly, many Saltley residents were astonished that the Council's priorities should put shopkeepers and large prosperous companies before pensioners living in houses with leaking roofs and no bathrooms. But the council was unrepentant, as the Chairman of Urban Renewal Councillor Bonner, told angry residents at a meeting in November 1978.

But the Council seemed less prepared for opposition from the shopkeepers themselves. They have formed an Action Group and reported the Council to the Ombudsman. This unexpected turn of events, reflects the limitations of a mere land use and bricks and mortar approach. Effective Town Planning has to take into account, land ownership as well. But as explained above, this basic fact is usually avoided, because the local authority lacks the necessary powers or finance to change land ownership in commercial areas.

The majority of the shopkeepers on Alum Rock Road, do not own their shops. Like the residents in surrounding houses, they are leaseholders. The leases of most of the shops are now very short, and the shopkeepers have been attempting to buy their freeholds, so as to avoid paying modern rents in a few years time. The freeholders, the Trustees of the Norton Estate, advised by their agents, Frederick Pepper, have refused to sell. Where they have already obtained possession because of the lease has expired, the Trustees have increased the rents to central area prices e.g. £40 per week, contributing to the closure of several of the shops.

The shopkeepers see 'Operation Facelift' as a gift to the freeholders, not themselves. In a few years time, the freeholders will be able to argue that their properties are modernised,

and therefore, the rents should be even higher. The shopkeepers' viability will therefore be jeopardised by the Council's action and several have announced that they too will be leaving when their lease expires.

Given the marginal nature of Alum Rock Road already, such closures could finish off the shopping centre altogether. In today's trading conditions, and with only short leases on offer, it will probably be impossible to attract new shopkeepers, and if the Norton Trustees do change their policy it will probably come too late to rebuild any confidence in the area.

The shopkeepers see the answer to their problems, as Council assistance with the purchase of their freeholds — if necessary using compulsory purchase powers. The Conservatives were shocked by such a suggestion, but at the same time unable to resolve the contradictions of their own policies and action. Several meetings to discuss council intervention, have produced no commitment from the councillors, but still the matter has not been totally rejected. Meanwhile, the leases get shorter and other neighbouring shopping centres receive investment which will increase their viability. The future of Alum Rock Road, seems bleaker today than before the HAA was declared.

The corner shops have also declined rapidly in recent years. Although the general policy in Salfrey since 1973, has been improvement, there have also been five isolated clearance areas. They happen to contain 40 per cent of all local shops in the area (excluding Alum Rock and Washwood Heath Roads).

This large-scale reduction in the area's local shopping has happened almost accidentally. But it does reflect again the failure of the Planning Department to develop any coherent planning policies for the area. Worse, residents have been denied the opportunity of discussing such an important issue in the Residents' Committee, set up by Urban Renewal for each Housing Action Area and General Improvement Area. This is either because discussion has been kept tightly to the defined boundaries or because the decisions had already been taken.



Salfrey's shopping area is renovated at one end . . . while the Co-op closes down at the other. Pictures: GASP



As a result, people in the General Improvement Area (covering Ash, Hall and Hams Roads) have not been consulted at all about the loss of their local sub post office, because it happens to be located in one of the only four buildings in Ash Road, at the very extremity of the Housing Action Area. When CDP wrote to the Planning Department, following representation by the sub post mistress about the inconvenience the demolition would involve, especially to pensioners, the planners as if oblivious to their own role, referred the matter to the Post Office! The GPO of course replied that

a "new post office is not normally opened if there are existing offices within a radius of one mile. . . and it would seem unlikely that a replacement would be provided".

This small example sums up more clearly than some of the larger ones the way in which the pressure of profitability takes precedence over any considerations of importance to residents. Also the way in which publicly paid officials, at all levels of local and central government facilitate, almost unconsciously, as individuals, the changes dictated by these pressures. Equally, how they are unable to trans-

late into policy one of the main objectives of Housing Action Areas (and other improvement policies) — "the well-being of persons for the time-being residing in the area."

## The local authority and health services

Although it is clear that local authority officials have difficulties in developing inner city policies that challenge or possibly conflict with the concept of profitability, it is less clear why the local authority's own services should be so inadequate. The local council and the Health Authority are important limbs of a welfare state system, which has been set up to ensure reasonable standards of living for the workforce on which private industry depends.

Closer examination of the services provided in Saltley, reveals that they all exist, but operate in a perpetual state of crisis. There *are* schools, including several new ones, but they are all overcrowded; there *are* doctors, but they are so busy that the majority have developed into mere conveyor belts for pills and potions. There *is* a small park but it has to cater for thousands of children. There *is* a swimming pool but it is rarely available for public use. There *are* facilities for old people, but they are run on shoestring budgets by voluntary groups, funded by ad hoc Urban Aid money. The necessary services exist to deal with disaster, and head off extensive protest, but they fall short of the services enjoyed by the majority of people.

To a large extent, Saltley reflects the problems of inner city areas everywhere. Local government services during the 1950s and 1960s were allowed to run down in advance of the slum clearance programme. There seemed little point on spending money on new buildings and equipment in areas that were about to be engulfed in redevelopment schemes.

But the decade in which improvement has replaced redevelopment as the predominant policy for the inner areas has also been the decade in which there have been three cut backs

in public expenditure. Now a fourth threatens. Services in Saltley, as elsewhere have suffered. During the last five years manning levels in the local salvage Depot have declined; the Road Cleansing Depot has closed down, and been leased to a car scrapdealer.

The social workers concentrate mainly on children and court work, and there are not enough to do all the casework for the disabled and elderly. Teachers have not been replaced, and rooms have been closed off in schools, which were already crowded. A nursery school in nearby Nechells, was built but not opened for nine months, because there was no money to pay teachers. One year the park-keeper could not cut the grass in the park for several weeks because he was waiting for money to buy a new sparkplug for the mower.

Of course, departmental politics and inefficiency have played a role in these examples, especially the more absurd. Nor have all the cuts been permanent. But they have had a very important impact by limiting capital expenditure and this has hit all services hard at a time when equipment and buildings desperately needed renewal, because of the deliberate run-down during the 1950s and 1960s.

The only new local authority buildings in Saltley during the 1970s have been two primary schools, and both these were needed to cope with the increased child population. Even meeting statutory requirements has proved difficult on occasions. In 1977, one local headmaster had to fight very hard in order to get an additional temporary classroom for his surplus children. At the time, the children were being taught in the gym and in the Church Hall over the road.

The lack of resources has also discouraged any replanning of the residential — as distinct from the industrial — areas. This means that one of the new primary schools was built at the extreme tip of the residential area, surrounded on two sides by industry and industrial traffic. It also means that Saltley is now more built over than in 1900 when it was first laid out. None of the land released by wartime bombing or modern clearance has been used for open space. When in 1975, residents of Membury and

Bennetts Road, petitioned for the use of the vacant GPO land behind them to be used as a proper playground — instead of a dangerous unofficial one — they were told there was no money. Instead, the Council bought up the site, and covered it with houses.

## 'Inner Area' as a label

The result of running down the inner areas has also had pernicious and long-term side effects. While the attitude that the working class can be divided into the deserving and undeserving poor has never disappeared, especially among local authority officials, it was actually reinforced, and emphasized by dividing the city into zones of clearance and non-clearance. Many officials came to see the clearance areas — and by association, all pre-1919 housing areas — as problem neighbourhoods full of the inadequate or underserving poor. The policies they recommended to councillors — and in time the attitudes of councillors themselves — reflected these views. These attitudes developed over many years, and reinforced in some instances by racism, did not disappear because central government changed the emphasis from clearing to improving pre-1919 houses.

Birmingham Housing Department, for example until 1975 divided its tenants into "post war," "inter war" and "central area". This division was based on an assessment of housekeeping standards by a single visit from an unqualified housing official. Automatically, families being rehoused, but judged to be "central area," were put into the old, pre-1919 houses in the inner areas.

But the majority of these houses had been purchased for slum clearance purposes. In the period 1960-74 when the Council suffered from periodic housing shortages because of earlier decisions to cut the council house building programme, but not the slum clearance programme, the Housing Department merely recycled its slums. The original occupants were moved out and "central area" tenants, usually from the newer clearance areas, were moved in. Pre-1919 became synonymous with slum housing to both

tenants and Housing Department officials.

Since the 1950s, the area in and around Adderley Road had been cleared and the land left idle and untidy. A large roundabout was planned there in those days. There had been no systematic clearance policy, and no concern shown for the people who had been left behind to live next door to the Council's piles of rubble.

Some of the slums were just bricked up. A few had been relet to people who had been labelled by the Housing Department as *problem families*. In 1973, nine of the 43 remaining households had been rehoused *into slums* during the 1960s. None of these houses had bathrooms or more than two bedrooms, yet many of the so-called *problem families* had more than three children. In addition, 12 families had been forced to watch the clearance happen all around them while they remained mysteriously *untouched* — trapped in a *derelict* area by the bureaucratic minds of the senior public health inspectors. Their houses were "too fit" to be represented for clearance.

The remaining 22 lived in houses declared unfit in 1969. It had taken more than two years for the government to confirm the Council's compulsory purchase orders, and the Housing Department had only rehoused about 60 per cent of the families in the two years since taking over. Many had been owner-occupiers, but now paid the Council £2.3 per week rent for houses that had not seen repairs for five years. When the Council proved reluctant to mend leaks, unblock drains and repair vandalised windows — because the houses were slums — they demanded immediate rehousing. When this did not happen, several went on rent strike. Then they too were labelled *problem families*, and were put to the bottom of the rehousing list.

The declaration of the Renewal Area in the summer of 1973 gave some much needed hope to these remaining 43 families. Here was recognition at last that their housing stress needed urgent attention. Their hopes were encouraged in November 1973 by the publication, through CDP, of the scheme already drawn up by the City

Architects for new houses and old people's bungalows on the part of Adderley Road backing on to George Arthur Road. Urban Renewal did its part by allocating £6,000 for the turbing of the cleared land opposite the new housing site, and facing Cranby Street, and £4,000 for a stout fence between George Arthur Road, and the dereliction behind. And after pressure from local councillors and CDP, the forgotten 12 houses were included in a further Clearance Area in April 1974.

The rest was up to the Rehousing Section. But the officials there were unimpressed by any significance the Renewal Area might have. In any case, they said, the people in these old CPOs were already urgent — they should have been moved long ago!

But in local government there exists many more shades of urgency than in the lives of residents of pre-1919 slum clearance areas. . . In the year following the definition of the Renewal Area, only eight more families were rehoused and at least one of these moved out without waiting for a council house or flat. Some of the delay was caused by genuine problems, e.g. no available large houses or sheltered accommodation. In a few cases the family itself turned down suitable offers in the hope of getting something a little better later on. But more often the offers were unsuitable and occasionally quite absurd.

Such offers were usually made to the families with rent strike or arrears records, and to families who had previously been categorised as "central area". No-one expected them to accept these offers, but it was a way of keeping them trapped in their slum area for a bit longer. So for the sake of punishing a handful of families — many of whom had genuine grievances — the Housing Department held up the redevelopment possibilities of a large area of land and jeopardised public confidence in the Renewal Area concept in the district generally.

Later, in 1975, after the retirement of the Director of Housing, official attitudes to "problem families" and also to Urban Renewal changed. But the speed up in rehousing after the summer of 1974 owed more to the sewer fiasco than to these more en-

lightened policies.

The sewer was a new one serving the industrial area at the far end of Adderley Road, and appears to have been planned by the City Engineer on one of two assumptions: either

- a. that Cranby Street and the odd numbered houses in Adderley Road (all within the Renewal Area) would be demolished before the sewer was built, and that all the even numbered houses in Adderley Road (most of which lay beyond the Renewal Area in proposed General Improvement Areas), would be demolished in the near future.
- or
- b. that the residents of Cranby Street and Adderley Road were so unimportant that a major sewer could be driven past their homes without the need to show them any concern.

There was also a complete lack of communication between the departments involved. The Public Health Department had not been asked to co-ordinate its clearance programme, and the Housing Department was not aware of the need for rehousing. Indeed, several houses needed for the sewer trench had not even been purchased by February 1974 when the contractors moved onto the vacant land behind Cranby Street. This error was eventually remedied by kinking the 15 foot deep sewer along Cranby Street, and through two extra manholes at an estimated additional cost of £45,000. The remedy which was popular among the residents in Cranby Street — immediate rehousing — and which would have cost nothing extra in the long run, was ignored.

Moreover, this technical solution to the difficulty only added to the problem of driving a deep trench through a well populated residential area. At times, people in Cranby Street, and later during the year in Adderley Road, had to suffer hours of piledriving only 10 feet from their front doors. The sewer passed as close as possible to all the houses in Adderley Road, throughout its length — only the width of the pavement separated the residents from the gaping hole in their street. Building regulations governing the digging of holes near to



The Nally Family, now rehoused in Duddleston, ½ mile away. Patrick was injured falling into the trench in Adderley Road. Picture: GASP



The Adderley Road trench. The houses on the left are all occupied. The metal supports for the sides of the trench were all pile driven into the ground.

houses were ignored, and for several months there were no safety fences round the trench after the workmen had gone. Pumps chugged night and day during the winter. The contract lasted until 1976, affecting different people throughout the two-year period.

In April 1974, Patrick Nally, then aged 7, who lived in Adderley Road, fell into the unprotected trench just outside his house. He spent three days in hospital after sustaining abdominal injuries. The angry residents contacted Saltley Councillor Gerry Simmons who arranged a site meeting with the leader of the Council, Clive Wilkinson, and the City Engineer, David Rogers. Rogers lamely explained that the contract did not provide for child proof fences because it had been planned to "non residential standards." The implication was clear — it was only a slum clearance area, so why bother with proper safety arrangements? The councillors were extremely angry, and fences round the trench appeared a few days later.

But worse was to follow in July when the contractors had to build the new sewer across Saltley High Street. To do this a traffic diversion was planned in which all city bound traffic would pass down the 15 foot Cranby Street. Some of these houses had been declared unfit in 1961. They had suffered several months of pile-driving and possibly settlement from the sewer construction, and it seemed unlikely that they could endure two more months of traffic vibration. In any case, it was the summer holidays, and for the first time ever the Cranby Street and Adderley Road children had somewhere local to play — the vacant site opposite which Urban Renewal had just turfed.

The traffic diversion threatened to place a continuous stream of cars, buses and lorries between the children and the new play area. However, a site meeting called by local councillors and CDP, aided by WMPTE (who provided a bus) proved to the County Council's traffic engineer that the diversion would be just as sensible — and less dangerous — along Crawford Street, further along Adderley Road. The logic of this was reinforced by a crowd of angry women and toddlers who besieged him before the meeting

started. For once, with the act of decision-making transferred into the inner areas themselves, the people who lived there achieved an identity which overcame the labelling they were normally given.

## Technical solutions to housing stress

In March 1975, when the Housing Action Area was declared, the embarrassment of Cranby Street and the odd numbered houses in Adderley Road was uniquely resolved by not transferring them from the Renewal Area with the other houses. The housing stress to be found in these old clearance areas was not the kind to be tackled by the new legislation.

Birmingham's approach to HAAs has in fact tended to ignore the existence of housing stress — as suggested on Page 34. The assumption has been that each area contained old privately owned houses, in need of modernisation. The problem was simply how to improve the houses and to a lesser extent, the immediate local environment.

This rigorous physical framework has led to the neglect of two important issues. Firstly, as described in Chapters Three and Four, it took Urban Renewal a long time to recognise that economic and tenure constraints needed removing before physical reconstruction and improvement could begin. Even today, however, few Urban Renewal officials would agree with this report's conclusion that private ownership and owner-occupation in particular is an inadequate base on which to build a long-term future for the inner areas. Birmingham is far more explicit than most local authorities in pointing out the real problems of modernising pre-1919 houses. But the Council sees the answer as further subsidies to the owners of land and houses — not the removal of the problems.

Secondly, by ignoring the social and economic factors, no real analysis of housing stress, and how it could or should be removed, has emerged. As a result, none of Birmingham's HAAs



Children's play area in Phillimore Road! The street has about 100 children living in it who have no access to any kind of play facilities. Picture: Brian Homer

have an Action Programme in the sense implied by the legislation.

Department of Environment Circular 14/75, published in January 1975, was very clear about the need to identify housing stress, and the need for Action Programmes to deal with it. "In a potential Housing Action Area, physical and social factors combine to create housing stress. . . The Action Programme is clearly the key to a successful HAA. . . To be effective, a Programme will have to take account of more than the physical state of the housing in the areas and its improvement potential; the social factors that have contributed to the HAA declaration will have to be considered."

The concept of the Action Programme was, therefore, a step forward in recognising the inter-related problems which give rise to poor housing. It provided a first, if small, opportunity for local government to move away from the simplistic technical solutions of the 1960s, and towards a more realistic and analytical approach. It is an opportunity which has got lost beneath the public sector cuts of 1975/76, and the emphasis put on boosting the numbers of houses improved. Even those local authorities which have drawn up Action Programmes seem not to have been guided

by them. Housing Action Areas today — even in the Department of Environment — seem to be just another way of of channelling State finance into housing.

In Birmingham, however, each HAA was given a Plan. The Plan concentrated not on policies — for housing, stress or anything else — but on land use, derelict sites and environmental improvements. It had no statutory significance and in Havelock none of it has yet been implemented; it is mentioned here only as an example of the sort of exercise imposed on the residents of improvement areas in the name of public participation. Similar exercises have been conducted in three of the four declared General Improvement Areas in Saltley.

The HAA Plan was drawn up in the Autumn of 1975, at the request of Clive Wilkinson, Leader of the Council. The Multi-Disiplinary Team moved quickly into action, and it was decided that each of the main Committees of the Council should approve the Plan before it could be considered final. A Network was therefore drawn up, describing the process and timetable for all this decision-making. But because of the end date imposed by Wilkinson, the Network left only about two weeks for residents themselves to discuss and formulate their



Environmental improvements to front walls have not changed the conditions of housing in GIAs. Picture: John Reardon

own views about environmental improvements.

Meetings were hurriedly organised for Havelock, Wright and Phillimore Roads, but it was too late. The planners arrived with plans already drawn up and spent most of each evening explaining why other things — such as garages in the front gardens in Phillimore Road — could not be allowed. They did, however, adopt the plan for George Arthur Road, worked out by Rod Hackney and the Residents' Committee in 1974. Adderley Road, marked down for clearance only weeks before the Plan was prepared, was earmarked for a future "landscaped area."

Apart from the small site to be cleared of houses in Havelock Road,

(which was marked ambiguously for houses, children's play area and garages), the plan was mainly about traffic. As a result it required some further work to see how the proposed road closures would affect the rest of Saltley. In fact, the Plan finally approved by the council agreed that "the West Midlands Metropolitan County Council be requested as a *matter of urgency*, to carry out a traffic survey of the Saltley area with a view to the implementing of a traffic management scheme and that a review be carried out of the programming, design and land take of the Saltley Gate road scheme".

This survey has never been undertaken, despite the declaration of several General Improvement Areas in 1976

and 1977. The Saltley Gate road scheme has, however, been reviewed but only early in 1979, after considerable pressure was exerted on the County Council by Urban Renewal.

The report on the HAA Plan produced in January 1976, ended with the fine words that "the local Urban Renewal Project Team will liaise with the local residents, in producing detailed design schemes and a programme of implementation". But in fact the Residents' Committee, set up so hurriedly to legitimise the plan in November 1975, has never been called again. Meanwhile, the Council has decided to knock down extra houses in Havelock Road in order to extend the primary school; to construct the new rear service road in George Arthur Road on the residents' gardens rather than on their own housing site; to build houses again on the land to be cleared in Adderley Road; to spend £1.2 million improving both houses and shops; and to carry out complete renewal of garden walls and fences throughout the area.

Only at the corner of Havelock and Wright Roads have residents been involved in any "detailed design scheme" where some useful boundary changes have been agreed as part of the plan for new houses and garages. The needs of the children, specifically itemised in the HAA Plan Report, have, however, been reduced to a small patch of grass. As elsewhere in the Urban Renewal areas, children have come bottom of the list of priorities. The planners have listened instead to the grumbles of middle aged residents concerned about children playing too close to their property — and to the requirements of industrial developers for more land.

On the credit side, it must be stated that a lot of money is being spent in Birmingham's improvement areas on what are called curtilage works. These are the reconstruction of garden walls, boundary fences and rear access footpaths. The budget for these improvements was £3.5 million in 1978/79, and could rise to, and remain at, £8 millions during and after 1979/80. In Saltley the programme of new walls, fences and paths in the HAA is virtually complete, and work has started during 1979 — after consider-

# £11m award for twilight zones

Birmingham Post Midland  
Political Correspondent

An £11 million works programme for inner areas of Birmingham was announced yesterday as part of the first stage in the Government's attempt to halt the decline of twilight areas in Britain's cities.

A total of £83 million for construction work in English inner cities was an-



Mr. Peter Shore . . .  
£1,000 million programme  
over ten years.

months, council leaders have been told.

Mr. Michael Heseltine, the Conservative shadow Environment Secretary, visiting the West Midlands yesterday before Thursday's elections, accused Mr. Shore of "a cynical attempt to buy votes in Labour's heartland."

He said: "Having savaged the construction industry and slashed new building proposals, he now chooses on the eve of the county council elections to announce details of ex-

The Partnership Programme is launched, May 1977. Already begun is the government scheme which produced Operation Facelift. Cutting Birmingham Post 3.5.77.

able delay — in three of the four declared GIAs.

Most of this money will come direct from the rates because expenditure is well in excess of the amount allowed for subsidy by central government. This subsidy is £100 per house, if total expenditure reaches £200 per house — an amount which was fixed in 1971. Birmingham will be spending in the order of £1,000 per house, sometimes more. The programme of works therefore, represents not only a major item in Birmingham's capital expenditure, but also a unique shift of resources towards the inner areas.

This shift took place during 1977, at about the same time as 'Operation Facelift' was conceived. It was a time for revising policies in the light of the experience of three frustrating years. It also reflects the result of basing teams of professional staff — mainly from Urban Renewal — actually inside the inner areas. Three years of first-hand experience of the neglect, blight and loss of opportunity which are the traditional fate of the inner areas, put the Urban Renewal programme in a new perspective. Attitudes were also changed by being straitjacketed within the clumsy and ineffective administrative and financial tools, through which improvements are organised.

The Housing Action Area Plans were therefore shelved. Their land use proposals redesignated as "second phase", while frustrated Urban Re-

newal staff got on with spending money on more obvious improvements. They chose, perhaps naturally, the tatty walls and fences they saw every time they left their local offices.

The Architects Department was brought in to design and supervise the work. It was decided to ignore the government's £200 limit and do a complete and thorough job. The argument was used that the expenditure would help owner occupiers and encourage them to improve their houses.

The curtilage works have been presented to the residents as a very completed package and in general have been welcomed, or at least accepted. They represent an achievement in that Urban Renewal are at last at grips with some of the problems of physical neglect, and have been able to squeeze money out of a reluctant bureaucracy and organise its expenditure.

But it is a limited achievement born more of professional frustrations, than of need. It also demonstrates again how easy it is for public expenditure to be seen both as a public service and as contracts for private builders — even in some areas for private architects and firms who deliver leaflets.

The small builders in Birmingham are very happy with the new Curtilage work schemes and in some cases have now stopped bothering with house improvement. However, the removal of non-conforming users,

closing of roads to cut out through traffic, providing childrens' play areas and the many other useful suggestions made by residents or the planners themselves, are still needed if Urban Renewal is to be successful.

Although the progress made by Urban Renewal, and to some extent the Housing Department, means that there are unlikely to be any more Cranby Streets, and that a genuine effort will be made to improve the housing and environment during the next few years, there is still a lack of understanding about how to tackle all the problems. Nor does the change of attitude at local level necessarily mean co-operation, from centrally organised officials, especially those in other departments. Meanwhile the prospects for increased resources dwindle as the new government prepares for another round of public expenditure cuts.

## The partnership programme

In April 1977, just before the publication of the White Paper, "Policy for the Inner Cities", the Labour Government announced that it would be going into "partnership" with local government, in order to solve inner city problems. Such terminology begs several important questions about the relationship between central and local government. At first sight the need for a partnership might imply no more than a certain lack of policy co-ordination prior to 1977. But in fact, more important issues are involved.

An earlier CDP report, 'Gilding the Ghetto', outlined the argument that the series of poverty projects, beginning in 1969 (including CDP), had been launched by central government in an attempt to educate local government in the efficient management of the poor. Not that central government had much expertise to offer. However, academic institutions were usually keen to join in such experiments, and with central government footing the bill enough local authorities could be found (until the failure of the CCPs in 1976), to launch several different versions of the typical poverty project.

These experimental projects were set up despite findings from Royal

Commissions, professional organisations and local authorities themselves that the basic problem of the inner areas was lack of resources. Instead, the Poverty Projects concentrated on the need to diffuse conflict (especially amongst the black population and the young), to legitimise existing social and political structures through community activity, and to minimise public expenditure by encouraging voluntary effort. But a secondary feature of all these projects was the increasing role of central government itself, in what had, prior to 1969, been regarded as matters for local determination.

The idea of "partnership" reinforces this relationship between central and local government — and possibly extends it.<sup>2</sup> Although local government has for many years been the subject of increasing central government controls over expenditure, the Partnership Committees actually give civil servants a role in drawing up specific programmes for the inner areas. This has guaranteed that some of Birmingham's £12.5 millions per year available under the Partnership Scheme finds its way into innovative schemes which echo the objectives of earlier Poverty Projects.

For example, the 1979-83 Programme includes £539,000 for "community-based projects", and "day activity centres" for the Probation Service; £80,000 for "new approaches to policing and the fullest integration of police work with other activities in the community"; £195,000 for "withdrawal units" in secondary schools; and £99,000 for "educational guidance for 9-13 year olds." The Learning and Leisure Topic Group<sup>3</sup> which will be spending about 10 per cent of the Partnerships's funds, includes in its aims, support for voluntary groups which organise "projects which enrich the curricula in schools or have a multi ethnic dimension, projects which foster links between schools and their local communities, and projects to help youth and community groups and organisations". The Society Topic Group which will also spend about 10 per cent of the total Partnership budget lists as one of its main objectives "the encouragement of voluntary organisations to become *effective part-*

# How to regenerate dead city areas—Sir Geoffrey

Sir Geoffrey Howe, the Shadow Chancellor, put forward his own plan last night for injecting life into run-down city areas, including parts of the West Mid-

tion and health and safety hazards would apply. Industrial Development Certificates and Office Development Permits would not be required.

changed to the disadvantage of companies, who would be guaranteed against nationalisation. Government grants or subsidies would not be paid.

Public authorities would be Price control, new policy

In 1976 and 1977, Government Poverty Projects like CDP and IAS were saying that the inner areas needed, above all the regeneration of their economic base. The Labour Government responded with the cosmetic Partnership Programme and refused to involve the NEB or the nationalised industries in the programme.

The Tory Government have therefore been allowed to take an 'initiative'. It has translated the recommendations of the Poverty Programme reports into two Urban Development Corporations which will sell off state land holdings and may yet introduce the Free Enterprise Zones dreamed up by Geoffrey Howe. Such proposals will not restore the economic base of the inner areas, but they will increase the profitability of property companies and produce handsome fees for the estate agents and other exchange professionals who get in on the big sale. Cutting: Birmingham Post 27.6.78.

ners with the local authority, in the support of disadvantaged people within the community." (our emphasis). The education of local government officials — certainly those who have drafted Birmingham's Partnership Programme — in how to manage the poor would appear to be well on the way to completion.

The support for voluntary organisations expressed by the Society and Learning and Leisure topic Groups, is underpinned by a budget of £5 millions spread over four years; 10 per cent of the entire Partnership expenditure will be in the form of grants to voluntary groups. By previous Urban Aid standards this is a very large amount and groups in several inner areas of Birmingham are enjoying unprecedented growth.

So far Saltley has only been given one grant in two years. This is because priority areas have been defined and Saltley is not likely to become a priority area until at least 1981. Instead the money has been concentrated in Handsworth, Sparkbrook, Balsall Heath and Small Heath, (where much of it has been given to church-based groups), and to centrally-based organisations providing a service to the entire inner city. The Scouts Association, for example was awarded £80,000. Only in Handsworth have any radical groups been funded. In most instances too, "effective partners with the local authority", has meant that voluntary groups have had to

accept councillors or council officials on to their management committees. The management of voluntary groups and their resources is becoming a major activity for several local authority departments, and provides alternative work for officials now that there are fewer local authority resources to manage.

But the majority of Partnership funds are not being spent on voluntary groups, personal services, education and leisure. These Topic Groups have been allocated about 40 per cent of the total budget, leaving £30 million over four years,<sup>4</sup> to be spent

2. The new Tory government has promised to cut out the "excessive bureaucracy" of the Partnership — perhaps as a result reducing central government's role. But in 2 Partnership areas — Merseyside and London Docklands — the Tories are proposing to introduce New Town type urban development agencies. New Town Development Corporations are totally undemocratic and consist of people appointed by ministers. Two inner city areas therefore will see a total shift over a period of 10 years from central government poverty experiments with no powers at all to total control of all investment decisions by central government nominees or civil servants.
3. The Partnership Programme is organised by 7 Topic Groups of local authority officials and civil servants; these are Economy, Movement, Physical Environment, Housing, Learning and Leisure, Society and Health and Personal Social Services.
4. Partnership documents stress that the scheme is a rolling programme, designed to stretch over 10 years. The budget for 1979/80 alone will be £9 million, increasing to about £13.5 millions in the following 3 years.

on eliminating the neglect and lack of planning of two decades. This £30 million is in addition to main programme spending, subsidised by the Rate Support Grant. But in one important sector — manufacturing industry and jobs — the local authorities normally have no programme except the Schools Career Service.

The crucial importance of employment and the loss of jobs in the decline of the inner areas has been stressed in reports published by both CDP and the Inner Areas Study, during 1975-77. A government initiative, launched in 1977, could hardly therefore, ignore jobs. As the White Paper explained "the decline in the economic fortune of the inner areas often lies at the heart of the problem. Compared with their own conurbations, the inner areas of the big cities suffer from higher unemployment at all stages of the economic cycle."

The Partnership Committee have translated this concern into their first principal objective — "to assist the regeneration of the Inner City Economy. . . . by creating conditions within the Inner City which Commercial and Industrial Firms find attractive." What this has meant in practice, so far, is little or no change in government and nationalised industry policy towards jobs, subsidies to existing firms and the local authorities joining the list of developers building speculative units in the inner area.

The Programme itself admits that "certain policies cannot be related to a specific Inner City context, for example, control of industrial development by Industrial Development Certificates." But this does not even raise key issues, such as government investment, the NEB, planning agreements and other selective aid to industry which until May 1979, at least, were the central features of government's industrial strategy.

In fact, these issues *have* been raised by Labour councillors and even voluntary groups responding to the partnership's public participation exercise.<sup>5</sup> But it is clear that realistic discussion about investment and jobs is not seen as the function of the Partnership Committee. As the Draft Programme for 1979-83 tactfully puts it "the consultations so far,



Social Services have used the Partnership Programme for innovatory schemes. This building is on a site previously zoned for open space. Picture: John Reardon

though brief, have raised a number of issues of principle, as well as generating several suggestions, for specific projects. It is likely that *many of the matters of principle cannot be resolved within the preparation of this Programme.*" (our emphasis)

The £12 million allocated for "the regeneration of the Inner City Economy", will therefore be used primarily to aid existing firms, rather than create new jobs. Only £150,000 has been set aside for "special initiatives", compared with £2.6 million, on Industrial Improvement Areas (mainly improvements to existing factory buildings and provision of car parks) and £2.6 million for the Birmingham Business and Employment Scheme. The Business and Employment Scheme has been introduced

by Birmingham City Council "to provide financial assistance to firms in the City."

A further £2.2 million will be spent on advance factories, mainly small units in the range 1000-6000 sq. ft., on the assumption that private developers do not provide these. But it is clear from the recent success of Mucklow's Aston Church Trading Estate that private developers face no real problem with letting small units. It is likely that the Partnership Committee will be asked, eventually, to stop interfering in the private developments of small units just as they have with the larger ones.

Saltley's main interest in this part of the Programme will be the redevelopment of about 32 acres of Gas Board land "primarily for industrial



Saltley's Gas Works will be sold off as speculative trading estates following reclamation by the County Council. Picture: Brian Homer

purposes." Residents have already suggested that this nationally owned land, which will cost several millions to reclaim and develop, should be used to relocate firms which cause a nuisance in the residential areas, e.g. car repairs and scrap yards. It is more likely, however, that the County Council will seek to maximise its investment (even though this investment has come in the first place from the Partnership Programme) by selling the land to private developers for more speculative warehouse units.

The Partnership Committee also propose spending £5 million on transport problems within the inner areas. A total of £250,000 will be spent on public transport, despite the fact that the Committee's analysis states that: "as inner areas residents have relatively

low levels of income, the dependence on public transport in these areas will be higher than in other parts of the City." The overwhelming majority will instead be spent on improving junctions on trunk and classified roads. Indeed the stated effect of this expenditure will speed through commercial traffic — though it is not mentioned that this will be through or into residential areas.

A further £7.6 millions will be spent on experimental house improvement schemes, like 'Operation Face-lift'. While the improvements to Alum Rock Road will be echoed by the expenditure of £2.1 millions to revitalise five other inner city shopping centres. Far from receiving extra resources from the Partnership Programme, Saltley clearly falls into a

category which has already received its share of the government's extra Inner City funds. Now, in order to be fair, the programme must move on.

It leaves behind a partially renovated and brightly painted shopping centre, and 250 houses which have each received more than £3,000 of extra improvement work. The underlying problems of empty shops, leasehold property, low incomes, inadequate Improvement Grants, remain. In the future several large areas of derelict industrial land on the edge of Saltley, will be brought once more into productive use, thus creating more traffic problems. The health programme, like industrial strategy, "cannot be related to a specific Inner City context", because it has already been decided in Whitehall that the "long term strategy for Health. . . envisages a slight shift of resources away from Inner City Areas." Education and social services might improve in 1982 when "the opportunity may arise for the priority area concept to be extended, to include Saltley."

The priority area concept might also bring a few more thousand pounds for voluntary groups together with a handful of specialist teachers, social workers and policemen. But it will not restore economic strength to the area's working population, or relieve its chronic housing, environmental and health problems. Indeed, the text of the Partnership Programme makes it clear it is not designed to do so. "The Partnership Programme therefore aims to encourage private investment wherever possible, using public sector funds to prime the pump. The role and work of voluntary groups is equally important, particularly in generating a spirit of self help." No one should ever complain that Birmingham Partnership officials and their political masters have not been completely honest about their economic and social philosophies. ■

5. Although the White Paper promised a strong voice for the residents of the inner areas, this has been translated in Birmingham, into allowing them to comment on the committee's draft proposals. Usually about 2 or 3 weeks is allowed for comments. The documents are long (100 pages), and never present a programme for a particular area, so that the residents and councillors of that area can grasp the proposals.

# 8

## Improvement policies in the '80's

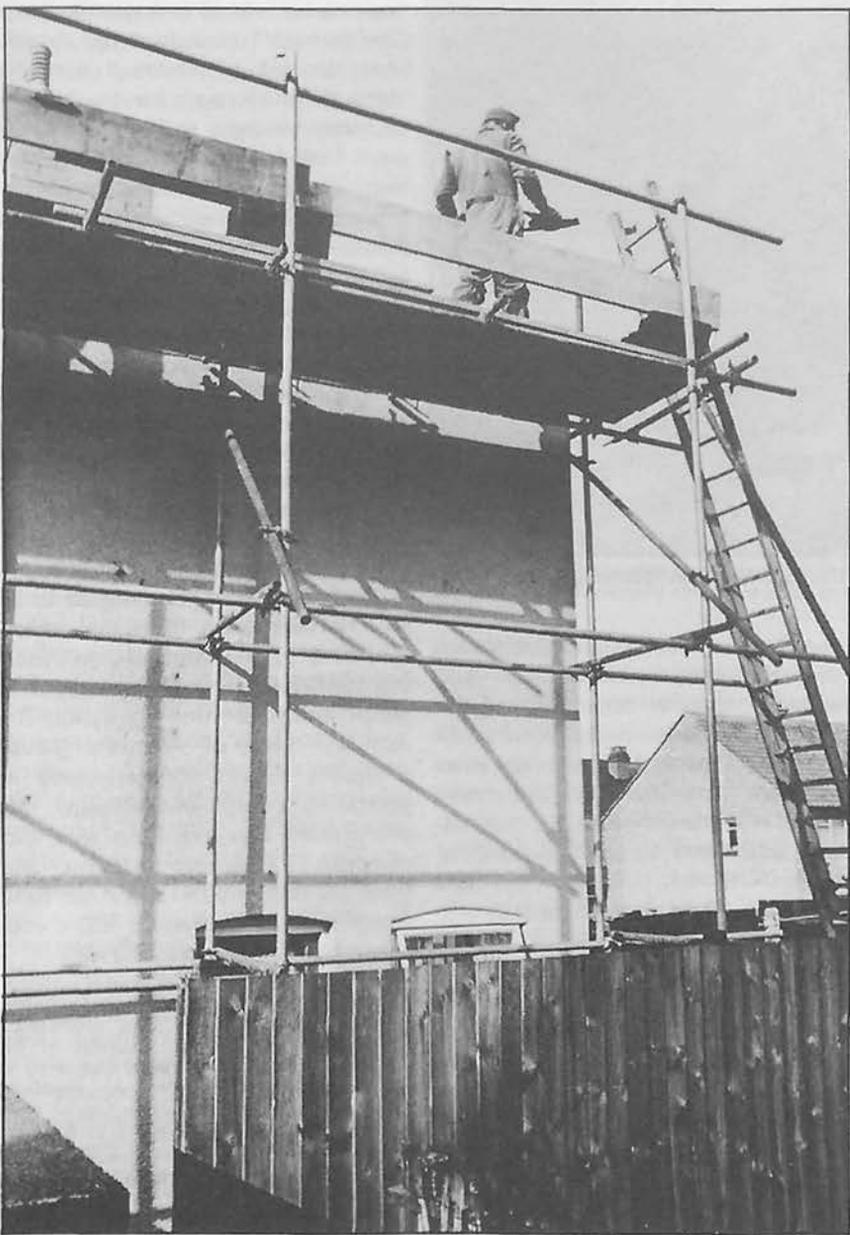
ALMOST 25 per cent of Birmingham's population live in pre-1919 houses. Nationally millions of people live in houses which must either be improved or demolished in the next two decades.

The 1969 Housing Act was an updating of improvement grant procedures which had been available to local authorities since 1949. In 1973, when the Urban Renewal Programme was being launched, Birmingham already had 25 years' experience of improvement grants. Even today most of the bathrooms and internal WCs in Saltley date from the early or mid-sixties.

But these improvements were usually cheap jobs done under the standard grant procedure introduced in 1959; a patching operation to provide basic sanitation before slum clearance caught up with the old houses in the 1970s or 1980s. The 1969 Housing Act and subsequent government circulars shifted the emphasis to more long term improvements; whole neighbourhoods were to be given a 30 years minimum life by declaring them as General Improvement Areas. The Act reflected feeling in central government and among some building professionals that the State need no longer pay the high cost of replacing a significant proportion of its housing stock each year. Cheaper housing policies looked attractive against the background of economic problems occurring in the late 1960's.

The 1974 Housing Act — by giving a clear preference to improvement instead of clearance — was the culmination of this line of thought. As a result a much higher level of housing costs were shifted on the the working class, especially owner occupiers. And to reinforce this, central government controls on local authorities were introduced to prevent them purchasing and improving large numbers of older houses themselves.

Significantly the 1974 Act was introduced and amended by a Tory Government and then reintroduced unchanged by a Labour Government. It was a crisis measure reflecting the need to limit State expenditure, not any clear political doctrine. Hard pressed local authorities, like Birmingham were allowed to do what would have been unthinkable in the 1960s —



# Where hot water is just a pipe dream



Much needed house modernisation in progress. But many people in the Midlands are not so fortunate.

Thousands of Midland families still live in homes with no inside lavatory.

A report just published by the Department of the Environment reveals that more than five per cent of Midland families had no inside lavatories at the end of 1977, and Birmingham and Sandwell were particular blackspots.

## Halved

The Government report shows that nationally between 1971 and the end of 1977 the number of homes without basic amenities like a bathroom, inside lavatory or piped hot water had halved

Birmingham Post Planning Reporter

from 2.8 million to 1.4 million. Homes still without these amenities mostly belong to the elderly, the report states.

The report is the result of a national housing survey which took place at the end of 1977 and early 1978. It presents the major changes in housing circumstances since 1971.

It shows an increase in owner-occupiers and a drop in the number of families sharing homes.

Coun. Arthur Walker (Con., Quinton), chairman of Birmingham's Housing Committee, which acts as landlord to about 50 per cent of homes in Birmingham,

says that a major modernisation programme is already under way in the city.

He says that 2,000 homes are scheduled to be modernised in the coming year.

## £12m contracts

Coun. Walker said: "We have just let contracts to the tune of £12 million for modernisation work on council houses."

Grants are also available to repair and modernise privately owned houses, he says.

But in an unprecedented move today thirteen housing organisations will urge the

Government to improve the quality of council and private housing.

The organisations are calling on the Environment Secretary, Mr. Peter Shore, to make housing repair grants easier to get and more attractive to householders.

They want grants of 75 per cent for repairs to any home without basic amenities and 90 per cent in cases of hardship.

Housing organisations taking part in the Government lobby include the Association of District Councils, the Building Societies Association, the Royal Institute of Chartered Surveyors and Shelter, the housing pressure group.

Birmingham Post 26.2.79

change the labels on 1200 of its designated slums in areas like Winson Green, Aston and Lozells to that of 'houses suitable for improvement.' Here Housing Action Areas were sold to bemused residents as a reprieve. The 1974 Housing Act allows the Council to force the problems of bad housing back onto those who suffer it; they either pay up by applying for improvement grants, dig into their savings, or more likely, borrow their share of the cost. If they can't or won't, they continue to suffer.

Even by 1973 Birmingham was well on the way to such policies. Although there were as yet no Housing Action Areas, there were 28 Renewal Areas. These were doubtful areas which had deteriorated too far to become General Improvement Areas, round which the Public Health officials had sketched their red pencils. The Council told people in these areas that they might not be rehoused in tower blocks or Chelmsley Wood, providing they all improved their houses promptly.

The two years 1973-75 were a period of great tension and uncertainty for residents as the Council went through the motions of deciding rationally which houses were to be improved and which demolished. Because the indecision was causing many problems, the Urban Renewal policy became an important area of work for CDP as soon as it was set

up in Saltley. We continued our involvement even after the basic decisions about clearance and improvement had been made when it became clear that the Council was not well enough organised to promote its own improvement policies or deal with the real problems causing the decline of the housing in the area. We actively helped — or tried to help — residents in the task of house improvement.

But gradually it became clear to us how the residents were being made to bear an unreasonable burden. The new policy placed the responsibility for improvement on the private sector, especially owner-occupiers, but it did nothing to guarantee adequate finance. We witnessed the effect of the government's cut backs in public expenditure and the failure of the Labour-controlled Council to rescue its policy from collapse.

Between 1975 and 1977 wage restrictions and unemployment limited working class incomes, but still the people of Saltley were expected to improve their homes at prices determined in 1974, before one of the biggest periods of inflation this century.

By the time of the May 1976 local elections, won convincingly by the Tory party, Labour's strategy for Urban Renewal was in tatters. Though the administrative set up seemed right — local Project Teams, an Improvement Agency, good communica-

tions with residents' groups through Community Forum, a high degree of corporate involvement through the perpetual interest of the Chief Executive and, at a lower level, the Multi-Disciplinary Team — results were appalling. When Urban Renewal started in 1973, improvement grant approvals were 2,589. By 1976 they were to fall to 1,693. The number of improved houses in the Housing Action Areas (by that time totalling 10) was negligible. This decline was paralleled at a national level, but here it could be explained by the ending in 1974 of the 75 per cent grant for houses in the Development Areas.

A year of Tory rule, including changes in the Agency Service and an end to formal discussions with Community Forum, made little difference. By mid-1977 there were house improvements to be seen in Havelock HAA, but they had only been achieved at great personal cost and frequent adjustment of the Improvement Grant procedures by frustrated Urban Renewal Team officials. Many of them were Housing Association improvements anyhow.

There were also a lot of unimproved houses. Some looked improved because the Council had spent money from its environmental budget providing free coats of paint, and rendering. But in reality the net effect of almost three years intensive action was a pepper pot scatter of house improve-

ments, often to inadequate standards or carried out by shoddy cowboy builders.

But the Tory Council's review of HAA failure had at least made them aware of the enormous gap between what was needed and what was possible. The Inner City Construction money was used to bridge this gap. 'Operation Facelift', launched in October 1977 and completed during 1978 and 1979, has made a major impact on the Housing Action Area. Today, while residents struggle to get the final details, like pavements and guttering, sorted out Havelock HAA is on the itinerary of everyone interested in seeing what a "success" improvement policies can be.

Owner-occupiers who had already spent their own money on improvements, often taking on extensive loans, are of course extremely angry. But the Council argue that the work is "external" only and that owners must still carry out internal repairs and provide proper bathroom, toilet and kitchen facilities. The work is an "encouragement" to owners to apply for improvement grants, not an alternative. They stress too that the S43 Compulsory Purchase Order is still proceeding — though they are eager to point out that compulsory purchase will not be necessary if owners take advantage of 'Operation Facelift' and apply for grants to complete any remaining improvements.

'Operation Facelift' has brought the cost of improving a house in the area back within the improvement grant limits, with residents contributing between £500 — £1,250 of their own money, after obtaining 75 or 90 per cent grants. The Council want to see the scheme extended to other HAAs. It is also developing a scheme based on extensive use of the 90 per cent grant plus curtilage grants under section 45 of the 1974 Act. This is known as the Roshven type block scheme and is expected to limit owner occupiers contributions to about £500.

More significantly it has obtained the backing for the principle of subsidising owner occupiers in this way from the Association for Metropolitan Authorities (AMA). The AMA is recommending in its report "poli-

## Fears for less well-off in drive to owner-occupation

By Our Local Government Correspondent

The dangers of increasing owner-occupation to resolve housing difficulties are emphasized in two journals just published.

An article in the *Centre for Environmental Studies' Review* concludes that the Government's housing plans are likely to leave needy families neglected. *Labour Research*, looking

emphasis had been put on owner-occupation. The relatively well off had done better under recent housing policy, and there was a danger that needy groups would not get the housing they required.

*Labour Research* argues that the GLC's much publicized "sale of the century" of council homes would worsen the present situation of a desperate housing need. Each year

Times 11.1.78



Picture: Brian Homer

cies for Improvement" (October 1978) that the Birmingham scheme forms the basis for future legislation.

*"The Association has examined the reasons for the decline in grant take-up and is of the opinion that the existing machinery, however improved, can never satisfactorily overcome the inability and reluctance of some owners, particularly of dwellings in stress areas, to bear their share of improvement costs. . . It is for these reasons that the Association urges a new concept in grant aid. . . already put into practice in Birmingham"*

*The basis of operation is that responsibility for improvement and repair would be shared by the owner and the local authority. The authority would undertake to repair the external fabric of the dwelling, with the owner*

*carrying out internal improvement with the aid of an improvement or intermediate grant at the normal rate. . . The cost limit, for subsidy purposes of the fabric repair work should be in the first place £4,000."*

After discussing further rearrangement of grants, percentages and eligible costs, the AMA summarises its new proposals as meaning that:

*"The total work would then be carried out at the cost of £750 to the owner and £6,250 to the local authority"*.

Ten years after the 1969 Housing Act launched improvement policies as the way forward, comes official recognition that a policy dependent principally on working class owner-occupiers has failed. This view, according to a report in 'Roof', September 1979,

# 21st century slums

More than 178,000 houses in Birmingham may be unfit to live in by the end of the century.

That was the warning given by Mr. Reg Bowen, urban renewal officer for

Birmingham City Council, last night.

Speaking at the annual meeting of the West Midland Property Association, Mr. Bowen said that Birmingham was losing the battle to improve the large number of unfit houses which already exist within the city.

Birmingham Post 24.5.79

Half way through the life of the first Housing Action Areas to be declared barely a third of those properties earmarked for improvement had been touched. This is the main finding of an unpublished DOE report (*HAA Annual Progress Reports: An Analysis*).

## PROGRESS ON RENOVATION IN THE FIRST 32 HAAs DECLARED BEFORE JULY 1975

	Dwellings Improved/ Work in Progress As % of Target Dwellings by mid 1977	Dwellings Improved As % of Target Dwellings mid 1977	Dwellings by 31.3.78
London	21%	14%	21%
W. Midlands	36%	33%	40%
Northern Yorks & Humberside	39%	31%	47%
North West	32%	31%	39%
TOTAL(England)	47%	41%	59%
	32%	26%	37%

"The difficulty comes with public participation, which I subscribe to, but public meetings unanimously want to retain areas and when the time comes and people have to put their hands in their pockets to find large sums, even with maximum grants, then they say they'd prefer to take the money and get out. We are finding an increasing number of houses coming into our ownership because of this" — Richard Westlake, Birmingham's Director of Housing, interviewed in *Local Govt. Chronicle* 26.5.78.

also seems accepted by the Department of Environment. Owner-occupiers cannot afford to improve their rundown houses — and the few that can are cheated by a property market which designates their neighbourhood as "twilight" and gives them a very poor economic return on their investment.

The Tory Council, backed by the AMA, is now saying that it is prepared to provide a massive subsidy to owner-occupiers and landlords in all the other Urban Renewal areas in Birmingham, where there are almost 78,000 houses which require attention. The cost of the AMA scheme, at 1979 prices, could total about £500 millions — more than twice the cost of giving each house an Improvement Grant. A large sum, but the sort of cost neces-

sary if the majority of the remaining pre-1919 houses are realistically to be given a 30-year life.

The Labour Government refused to sanction Birmingham's proposal but in August 1979 the Tory minister for Housing, John Stanley, approved a three-year programme costing £6 million to facelift a further 2,000 houses. The money will come from Inner City Partnership funds and be treated therefore as "experimental." Central government is very concerned to limit the facelift idea in this way — not only because of its cost implications, but because it undermines the individual approach to improvements, which in turn reinforces the individualism of owner-occupation.

Urban Renewal is in a mess; and in most other cities the problems are

worse than in Birmingham. Even for professionals the issues are complex, contentious and difficult to understand. How should residents of the inner city areas respond and organise if they live in the large areas as yet untouched by schemes such as Operation Facelift.

We believe that the Facelift improvement scheme should be supported and that pressure should be put on the government to allocate money for 'Operation Facelift' to be extended to the other 78,000 properties in the City and elsewhere. After all, on a national scale the amount required is small and will take many years to spend. In any case the alternative — clearance — will cost a lot more and leave millions of people living in substandard housing for much longer. This is not to argue, however, that there is not a continued need for clearance and also for modern council housing.

But, by itself, the Facelift scheme does nothing to solve the root causes of housing problems in the inner areas. It fails to tackle the issues of working class owner-occupation, land-ownership and housing finance. It avoids the question of why the State should provide massive subsidies to prop up a private market providing profits to solicitors, estate agents, bankers and building contractors. It avoids the question — could it be done cheaper, and even better through municipalisation and Direct Labour? We would argue that there are five fundamental issues which need to be taken up.

First, to challenge the idea that owner-occupation is the solution to the housing problems of working class people and that council housing is only for the poor and needy section of the population and as such can be badly built and designed. We think this report shows that Peter Shore's argument that "owner-occupation not only makes economic sense for the individual and the community, it also satisfies deep seated aspirations in our people", is wrong. Inner city residents are forced to turn to owner-occupation because there is no alternative. The prospect of decent council housing on any scale no longer exists.

Some local authorities are building new houses for owner-occupation in



In Spring 1979 Community Forum, Birmingham's Federation of Residents and Tenants Associations launched an Urban Renewal Charter. It called for adoption of the AMA's Fabric Repair Grant, higher costs limits for grants, abolition of Rateable Value restrictions, more compulsory purchase for non-improvement by landlords, changes in allocation and management policies by Housing Departments and Housing Associations, more money for home lending, changes in the Leasehold Reform Act and proper contracts for all improvement grant work. The last demand was backed up during the rest of 1979 by a campaign against Cowboy Builders. An Enquiry into building standards was held in July 1979 and the report which resulted formed the basis for further publicity and a Day of Action on December 1, 1979.

the inner city, but this is only possible using extensive subsidies either to the builder or to the occupier. On a large scale such a solution would be even more expensive for the State than schemes like 'Operation Facelift', because it would have to be linked with clearance. But the costs of such clearance could not be passed on to the new owner occupiers, without escalating house prices beyond their reach.

Secondly, the question of land-ownership must be tackled in a systematic way. If the Urban Renewal policy is to succeed, leasehold land cannot be left in the hands of private landowners. Birmingham Council has been forced to purchase the Norton Estate in Saltley from Lonrho, and are now in the process of selling back individual freeholds at cost price to those owner-occupiers who wish to buy. It has taken 10 years to achieve

this. Now the struggle begins again in the Hutton Estate area to the north of the HAA and in the area controlled by C & P Estates, now owned by a Jersey-based property dealer. Even the shopkeepers along the Alum Rock Road are demanding municipalisation. All remaining freehold land in the inner city should be taken out of the hands of private owners and be controlled by the Council. This land should be purchased at below market

## COVENTRY TRADES COUNCIL TAKES ACTION

The Trades Council Housing Sub-Committee (TCHSC) was formed in August 1977 out of the recognition by the Trades Council that the working class in Coventry continues to face a major housing crisis. If anything, this crisis has worsened over the past few years of capitalist recession and inflation, with greater insecurity of incomes, employment and even family life, which themselves have often directly caused homelessness in the City. Volatile house prices and interest rates, and soaring costs of home improvements have hit present and prospective owner occupiers hard. The council tenant has faced steadily increasing rents combined with steadily declining levels and standards of building, repairs and maintenance. At the same time, over 300,000 building workers are unemployed.

Hence the functions of the TCHSC, as approved by the delegate meeting in August 1977, were threefold:

1. To support and coordinate the efforts of community action and other groups which organise to tackle housing problems: homelessness and dangerous or hazardous conditions in council houses,

especially temporary Part 3 accommodation; rent rises; repairs delays; damp and the general deterioration of housing and environment for working class people.

2. To investigate in detail the ways in which the costs and quality of housing for working class people in Coventry are under attack, and to initiate a programme of education and propaganda about the situation.

3. To sponsor local meetings of tenants and residents in different parts of the City to open up a dialogue about the problems experienced, and to build a more critical socialist perspective about housing in Coventry within the local labour and trade union movement.

It was also agreed to attempt to link the struggles of those involved in the production of housing (i.e. building workers, particularly those in the City Council building services department) with the struggles of those involved in its consumption (i.e. tenants and residents).

Over the past 20 months we have made modest but decisive progress on all these

fronts. Above all, we have concentrated on supporting, and where appropriate, developing the struggles against appalling housing conditions of various tenants and residents' groups, notably in

Stanley Road, where residents saved their houses from the bulldozer and set up a tenants cooperative to modernise the houses,

Wood End and Hampton Rd, where tenants successfully campaigned for better housing conditions, including the demolition of some substandard council houses,

Smith St, where the plight of 'temporary tenants' has been exposed and a Tenants Association set up to abolish this special category, rehouse the tenants and modernise the houses.

In addition the TCHSC has set up a working party to draft a council tenants charter and prepared a programme of activities which will draw together council tenants, owner occupiers and trade union branches.

Source: Coventry Trades Council Housing Sub Committee Annual Report, March 1979.



Operation Facelift has been a test case for the big building firms to show that they can handle Urban Renewal. Picture: Brian Homer

value, otherwise those residents who want to buy back will be no better off buying their freeholds from the Council than from a private property company.

Third, is the need to raise once again the issue of municipalisation. When the Labour Government came to power in 1974 it was committed to a programme in which, "in principle, all rented accommodation will be municipalised in stress areas and some in non-stress areas"<sup>1</sup> In practice it cut the expenditure available to local authorities to purchase and improve tenanted properties to a minimum and pushed as an alternative the "social ownership" of housing associations. In the Havelock Housing Action Area, COPEC has done a good job, but now it too has had its acquisition programme curtailed and is having to skimp on improvement works following the failure to raise Housing Association yardsticks during 1977. 'Operation Facelift' subsidises owner-occupiers, but not tenants. Instead it subsidises landlords, who benefit doubly by increasing rents; as a result it is manifestly unjust.

Fourth, the present improvement grant procedures should be replaced by radical alternatives such as that proposed by the AMA in their report

'Policies for improvement'. But these should be linked with much more direct responsibility on the Council to ensure a high quality of work.

Finally, the 'Operation Facelift' scheme must be challenged on the basis that the work is being contracted out to private building firms. Specifically it must be noted that the contracts have been won by large and medium-sized firms, such as McAlpines, who normally would not have been interested in housing renovation work.

Admittedly the work carried out by these large firms has been done more efficiently than the one off house improvements carried out by small builders. The majority of problems lie with the necessity of doing the job in two stages, e.g. new roofs now sit on outbuildings which may be demolished shortly for bathroom extensions. But the large contractors are really only interested in Council work when, as is the case now, there is a shortage of private work. If, as predicted, a new boom in office and commercial development takes place in the 1980's these large contractors will not even be interested in tendering. If they do it will be because they know the local authority has no alternative but to agree to any price increases later in the contract. Work will become

shoddy and slow. Nor are the larger firms within the private building industry any more stable than the small ones. Already one of the original building firms, Comfort Systems, has declared itself bankrupt, with local residents subject to all the subsequent delays and inconvenience of having work half completed.

There is an alternative to this chaotic system — Direct Labour — but it is one that the present Council have not been prepared to consider. The advantages of direct labour to building workers are well documented elsewhere.<sup>2</sup> Besides providing stability of employment and better working conditions, however, the main advantage of using direct labour would be that it would reduce the costs of the "block improvement scheme" and improve quality. We have already estimated that using the present private contractors, about £500 million will be required to complete Birmingham's 78,000 pre-1919 properties. But with direct labour doing the work at cost, the profit element would be removed and this price would fall. In addition the costs associated with the tendering

1. Labour's Programme, 1973

2. "Building with Direct Labour" CSE pamphlet 1978.

system — price ringing, poor quality, time over-runs and excess costs — would disappear. Local authority architects, quantity surveyors and other professionals would also find they had more control of the job, and that the supervisory problems presented by private contractors such as Comfort Systems would disappear.

It will not be easy to get such a direct labour organisation established at the present time. In Birmingham, a direct labour organisation was set up in 1975 when contractors refused to tender, and closed in 1977 due to pressure from the local building industry, concerned about lack of work. But Birmingham, like all authorities, does employ housing maintenance staff for the modernisation of its own houses. The Council itself, therefore, knows more about house improvement than most large contractors and its workers have the expertise to carry out the work needed in the inner areas. However at present direct labour departments are prevented by law from carrying out work for private owners and therefore changes in the law are also required.

In conclusion, therefore, we are arguing that a campaign should be organised to support the present Council's demand for more government money to be allocated to 'Operation Facelift' type schemes, but that ultimately, to get the Urban Renewal programme out of its present mess, further measures are needed which change the legal and financial arrangements for house improvements. It should be recognised that Operation Facelift has been support for a failing owner-occupied system and that as a result owner-occupation itself needs challenging.<sup>3</sup> Decent council housing still needs building. A vigorous municipalisation programme is needed including the purchase of all private leasehold land by the council.

Beyond the housing question the wider issues of the planning and the future of inner city areas have to be tackled. What is the use of improving homes when unemployment continues to increase. Socially useful jobs must be created and intrusive traffic and other problems dealt with as part of an overall improvement in the environment.

Traditionally, the Trades Council and city's trade unions have not in the 1970s involved themselves very much in Urban Renewal and the City's housing problem. This leaves the City's residents and community groups, represented through Community Forum, fairly weak and isolated. Often local community groups would benefit from the organising experience and contacts within the trade union movement.

Certainly the reforms outlined above will not be won without a determined political campaign. At the present time, Community Forum is attempting a review of the Urban Renewal programme and is organising a campaign on bad building standards. We feel both the Trades Council and Community Forum would benefit from increased contact, perhaps by the establishment of a Trades Council Housing Committee, along the lines of that now operated by Coventry Trades Council. Certainly the links being built up elsewhere, such as those in Sandwell, between UCATT direct labour building workers and council tenants, seem to be resulting in more effective action.

One thing is certain: whether such links get built or not, Urban Renewal and Birmingham's housing crisis will get worse in the coming years. The grant approvals for 1977 sank to 1,700. In 1978 they dropped to 1,200. It has taken five years to improve three small streets in Havelock HAA — which means it could take another 25 years to complete the improvement of Saltley alone.

And this is just in the old pre-1919 houses; it ignores the repair and maintenance problems which are building up on council estates like Nechells, and on the large inter-war private housing estates.

A report drawn in 1977 by Urban Renewal officials, suggests that unless the annual rate of improvements can be boosted to 4,200 there will be a huge backlog by 1981 when the first post World War One houses reach 60 years of age. The report comments: "most authorities agree that because of their generally low quality of construction, the 60+ age will be the end of the unrehabilitated useful life of these properties. Between 1981 and 2001 about 67,000 of these "between

wars" privately owned properties will cross the 60+ years threshold."

Because, too, Birmingham's 'Operation Facelift' is in fact an accident dependent on the presence of special inner area funds, local authorities without such privileges are taking an increasingly harder look at their improvement and slum clearance programmes. Health inspectors and other building professionals were reminding us of their scepticism about improvement programmes, even in 1974. Now, once again, articles are re-appearing in professional journals with titles like "Bring back the Bulldozers," ('Environmental Health', August 1978).

The whole future of house improvement policies — and in effect the inner areas — has therefore reached a crucial stage. Birmingham almost alone, has broken out of the circle of financial constraints to try and produce a solution which works. But it is one with an enormous price tag, and in the end will not work on its own because it is based solely upon subsidising a system of private housing which is breaking down and on a discredited private building industry.

Other local authorities have virtually given up before they started. A large proportion of their professional staff still believe that slum clearance is the only answer. But this solution has an enormous price tag too.

The Department of the Environment has already told Birmingham that they are concerned about the implications of 'Operation Facelift' and the resources which are required to meet it. More ominously, they have said they feel that "intermediate and short term measures would be more appropriate in Housing Action Areas". Such measures would of course blight entire neighbourhoods and effectively dry up all private investment. Birmingham's actions are forcing a clarification of older housing policies. Which way will the State, once more squeezed into a corner, jump?

For the residents of half-completed Housing Action Areas, unstarted or even undeclared General Improvement

3. See 'Private Housing and the Working Class' — Benwell CDP Final Report No.3, for a fuller discussion of the contradictions of working class owner occupation.

Areas, the answer is not an academic one. For the past 10 years they have been coaxed into believing that improvement policies are a serious attempt to better their housing standards. Some, especially those in early middle age with low mortgage and family commitments, have been convinced and begun to apply for grants. Many, of course, become deterred by the level of cost, but the slow trickle of improvements could add up to sizeable investment of working class income over a period of years.

Now the situation is changing. As a result it is not a wise moment to carry out any major improvements. To do so could place people in the same position as about 30 residents in Phillimore, Havelock and George Arthur Roads in Havelock HAA, many of whom are working over-time to pay off the loans they needed to pay for their improvements. A lot of this work has now been done for free — and to much better standards — by the Council in their neighbours' houses. Today, anyone improving their house should bear in mind that the

Government could be forced to change the grant system along the lines suggested by the AMA, within the next 12 months.

On the other hand if "short term measures" are applied widely, some improvement areas may find they have once again become Clearance Areas. As the Council only pays market value for houses it buys compulsorily and as, according to research published by the Department of Environment itself,<sup>4</sup> market value is not being affected very much by the value of improvements, it is clear that owning an improved house in a Clearance Area will result in financial loss.

The odds are heavily stacked in favour of the State increasing its commitment to improvement policies and putting, reluctantly, more money into inner area rehabilitation. The most powerful reason for arguing this is that it would still be cheaper than wholesale clearance. It would also prevent any major expansion of council housing. By supporting the existing owner-occupiers in the inner city with even bigger grants and by keeping

municipalisation to a minimum, the private market in housing can itself be supported and perhaps even extended.

Faced with a changing political and economic situation residents of the inner areas need to know what to do about their houses. As indicated above, they would be unwise to do anything at present. If they have savings, these would be better invested in someone else's house, through a building society. But more money will not be put into the inner area housing just because Birmingham Council is showing the way and the AMA is proposing a similar scheme; an Improvement Grant 'strike' could therefore be very effective. Changes to improvement policies are inevitable but the kind of changes — and their value to inner city residents — will depend on the level of political action in the inner areas themselves ■

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## THE 1980 HOUSING (FAILURE) ACT

In November 1979 the new Tory government circulated a Consultation Paper which will form the basis for a Housing Bill to alter the Improvement Grant system. The Bill will probably become law during 1980 and is similar to proposals previously made by the Labour Government, early in 1979.

The proposals do little more than tinker with the existing system. But they do reflect growing awareness that poor owner occupiers cannot afford to improve their houses to a decent standard and that there is a mounting problem of disrepair. However, instead of taking up the AMA's proposals for a Fabric Repair Grant or extending the principles of Birmingham's Operation Face-lift, the government hopes to solve the problem by reducing standards. Grants are to be linked in future to "reasonable" standards of repair, not the the present "good" standard. A flexible grant system will operate enabling local authorities to grant aid almost any individual item of repair or improvement, irrespective of the fitness for human habitation of the house. The emphasis will be on giving more state subsidy for minor repairs and improvements and directing the grant system more specifically at those with limited means.

Other proposals will remove various restrictions on grants, especially the rule

that owner occupiers must live in the house, 5 years after receiving a grant. The Rateable Value limits in HAAs will be abolished and environmental works in HAAs may get more government subsidy. Additional subsidies will also be available to local authorities that sell improved houses, but find that the sale price does not cover the cost of improvement and purchase — yet further official recognition that the housing market does not reflect the full cost of improving older properties.

Most of the proposals are based on a report written for the Department of Environment in July 1979 by the National Building Agency following a survey of local authority grant administration. In addition there has been of course considerable pressure on the DoE by local authorities, building societies and property associations ever since 1974 to remove the restrictions on grants. The proposals will remove a limited amount of housing stress — if applied successfully by local authorities — and increase the state's commitment to owner occupation. But they will not provide the kind of financial support needed if owner occupation in pre 1919 areas is to bring satisfactory standards of housing. These areas will continue into decline during the 1980s unless the present system is totally changed.

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4. Department of Environment Improvement Research Note 3-77, GIAS 1969-76, March 1978, Page 38.

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# FROM FAILURE TO FACELIFT



Picture: Brian Homer

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Published March 1980 by Birmingham  
Community Development Project

Housing Action Areas were introduced in 1974 in order to concentrate housing improvement policies and finance on the worst areas of inner city housing and stress. The local authority is given five years to complete each HAA. The Havelock HAA, in East Birmingham, was declared in March 1975 and in the government statistics for 1980 will be shown as "complete". But this has not been achieved using the powers and finance available under the 1974 Housing Act.

This report shows how Birmingham City Council had to provide an additional subsidy of £1,200,000 in order to complete the improvement of this small area of only 380 houses. The report challenges the widely accepted view that owner-occupation can ever be a solution to working class housing problems, as well as detailing the inadequacies of existing improvement policies and the Inner City Partnership Programme.

ISBN 0 9506973 0 3