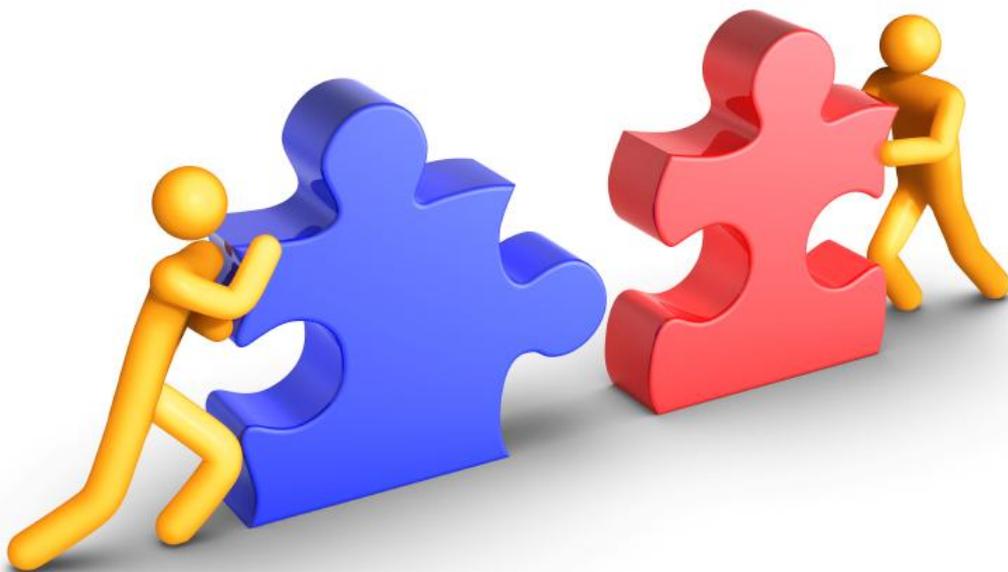




# **Weathering the downturn: What is the future for Lifetime Neighbourhoods?**

**A discussion paper edited  
by Ed Harding**



April 2009

ILC-UK

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### **About the ILC-UK**

The International Longevity Centre - UK (ILC-UK) is an independent, non-partisan think-tank dedicated to addressing issues of longevity, ageing and population change. It develops ideas, undertakes research and creates a forum for debate.

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## **About this report**

Ensuring lifetime neighbourhoods for all has always been an ambitious vision for sustainable planning for population ageing. But since the 2008/9 economic downturn, many commentators have asked if the scope of the original agenda can survive intact. Clearly, we cannot ignore economic imperatives and pretend that nothing has happened, but on the other hand, surely we would be wrong to discard the unique and hard-won call to action represented in *Lifetime Homes, Lifetime Neighbourhoods – A National Strategy for Housing in an Ageing Society*.

It is time to take stock. But agreeing the route ahead demands a renewed look at the original drivers behind lifetime neighbourhoods and the state of housing and development in this country. It also asks for a new shared vision between the different actors needed to make the vision a reality . including government, public sector agencies, local authorities, private developers, professional organisations, housing associations and the voluntary sector.

This report is unique to date in bringing those voices together to analyse recent developments and discuss the way forward for lifetime neighbourhoods.

## **Acknowledgements**

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## Contents

1. ***Crunch time – so what’s next?*** **5**  
**Ed Harding, ILC-UK**  
Ed Harding, Senior Researcher at the ILC-UK, takes a look back at the original lifetime neighbourhoods agenda, the impact of the recession on development and proposes opportunities and priorities for the road ahead.
2. ***Lifetime neighbourhoods in the credit crunch: the role of housing*** **11**  
**Sarah Davis, Chartered Institute of Housing**  
Sarah Davis asks if the recession is a chance for new local partnerships to forge a new a sustainable vision for housing
3. ***Retirement housing in the economic downturn*** **14**  
**Gary Day, McCarthy & Stone Ltd**  
Gary Day explains the worrying collapse in new retirement housing and points to the urgent need to start planning for recovery
4. ***Lifetime neighbourhoods and regeneration: the perspective from deprived areas*** **17**  
**John Low, Joseph Rowntree Foundation**  
John Low talks us through the linkages with the mainstream regeneration picture and the lessons learnt in community transformation
5. ***Valuing inclusive places*** **21**  
**Thomas Bolton and Rowena May, Commission for Architecture and the Built Environment.**  
Thomas Bolton and Rowena May discuss a framework for sound design and planning of neighbourhoods, highlighting the current barriers to best practice
6. ***Planning lifetime neighbourhoods*** **25**  
**Gideon Amos OBE, Town and Country Planning Association**  
Gideon Amos looks at the key role of planning in deliver lifetime neighbourhoods . including the need to rethink planning gain supplements, adhere to good quality development, invest in sound local masterplans and develop new partnerships for delivery.
7. **Conclusion** **28**

## Chapter 1: Crunch time – so what's next?

***Ed Harding, Senior Researcher at the ILC-UK, takes a look back at the original lifetime neighbourhoods agenda, the impact of the recession on development and proposes opportunities and priorities for the road ahead.***

### Summary:

- *Lifetime homes, lifetime neighbourhoods, a National Strategy for Housing in an Ageing Society* was a landmark publication which set sizeable but timely challenges for housing, development and planning policy in this country.
- Few could have anticipated the scale of the current recession however, and in particular its impact on housing and development.
- Lifetime neighbourhoods are more than just the built environment. Public services and amenities are also an important component and are likely to be hit hard. Voluntary and community organisations and social enterprises will need whatever help we can afford.
- Good practice must be kept alive. Although many mainstream and flagship development and regeneration projects are in real trouble, we are still building hundreds of new neighbourhoods each year, and sizeable public budgets remain for social, affordable and older people's specialist housing.
- Partnerships will be more important than ever, whether we are planning, financing or managing new or existing communities. New models will be needed to pool risk, share expertise and safeguard investment.

The lifetime neighbourhoods agenda was originally proposed in its current form and terminology in a joint ILC-UK and Communities and Local Government think piece launched in December 2007. The paper proved a strong and timely influence on the then forthcoming *Lifetime Homes, Lifetime Neighbourhoods - a National Strategy for Housing in an Ageing Society* launched in January 2008.

*Lifetime homes, lifetime neighbourhoods* constituted a major accomplishment. It was the first cross-departmental strategy on housing, neighbourhood, health and wellbeing for older people in the world, and its importance was underlined by a Prime Ministerial foreword by Gordon Brown. In summary, it provided a clear call to action around the importance of:

- Greater housing choice for older people's differing housing needs
- The importance of outreach, information and advice in helping effective decision making
- The value of adaptations and maintenance in keeping people independent at home for longer
- The potential for new build housing to meet future need better through Lifetime Homes Standards
- The role of neighbourhood design, accessibility, appearance and access to shared spaces, amenities and civic resources in preserving independence and quality of life as we age
- The necessary leadership in local and regional strategies
- Joined up assessment, service provision and commissioning across housing health and care; and
- A positive vision for specialised housing as somewhere in which people aspire to live and which will match their preferred lifestyles

Although non-statutory, the publication was a landmark for many commentators who had long argued for greater recognition of the interdependence of housing, built environment and community on older people's health and wellbeing. It also made the crucial linkage of population ageing with mainstream sustainable planning.

### Lifetime neighbourhoods – laying out the challenge

The concept of lifetime neighbourhoods, although not entirely new, enjoyed a rise to fame in the slipstream of the National Strategy. The principle was simple . if lifetime homes can cater for our needs as we age, why can't lifetime neighbourhoods do a similar thing? And isn't one meaningless without the other?

Starting from a foundation of existing concepts of lifetime homes, World Health Organisation definitions of Age Friendly Cities<sup>1</sup> and other work such as Streets for Life<sup>2</sup> the joint ILC-UK and Communities and Local Government discussion paper summarised lifetime neighbourhoods as:

*'those which offer everyone the best possible chance of health, wellbeing, and social, economic and civic engagement regardless of age. They provide the built environment, infrastructure, housing, services and shared social space that allow us to pursue our own ambitions for a high quality of life. They do not exclude us as we age, nor as we become frail or disabled.'*

More specifically, it agreed with commentators that they should aim to be:

- Accessible and inclusive
- Aesthetically pleasing and safe (in terms of both traffic and crime), and easy and pleasant to access; and
- A community that offers plenty of services, facilities and open space.<sup>1</sup>

But added that lifetime neighbourhoods should also be those that foster:

- A strong social and civic fabric, including volunteering, informal networks, and a culture of consultation and user empowerment amongst decision-makers; and
- A strong local identity and sense of place.

The concept of lifetime neighbourhoods was a timely one. It asked difficult questions of the 2006 Green Paper pledge to build 3 million new homes by 2020 . and demanded real and meaningful commitment to local and regional sustainable planning for population ageing which would need to reach far beyond the tokenistic efforts of the past. The National Strategy promised a new a gold standard in urban design through in the Eco Towns, all of which were to be designed to be lifetime neighbourhoods. The future seemed bright indeed . and a clear challenge for excellence in planning and development had been boldly laid out.

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<sup>1</sup> Hall and Imrie 1999

### **The recession - has a bold vision met economic reality?**

As an ambitious policy goal, lifetime neighbourhoods were never going to be quick or easy to turn into reality. Yet the scale of the economic downturn in late 2008 and early 2009 took many people by surprise. The picture is bleak, with commentators predicting an overall contraction of the economy as severe as 6%, unemployment as high as 3m in 2010<sup>2</sup> and as much as £35-£40bn of central government expenditure cuts by 2011.

The problem is that the success of the lifetime neighbourhoods agenda is fundamentally linked to our capacity for regeneration and redevelopment. Estimates vary, but a freezing wind has blown over house and land prices across the country, halting development and stalling regeneration projects in their tracks. According to the Royal Institute of Chartered Surveyors (RICS) residential prices are likely to decline by a further 10% - 15% over the course of 2009, taking overall the peak to trough drop to somewhere between 25% and 30%.<sup>3</sup>

Unsurprisingly, development has been severely hit, with nearly half the country's house builders reported to be in financial danger.<sup>4</sup> Falling land prices have had a knock on effect too. The former Government agency English Partnerships (now part of the Homes and Communities Agency), which received half of its money from the sale of land assets, pulled funding in summer 2008 for a number of schemes because it was running short of cash.

Flagship regeneration schemes are also in choppy waters. The Housing Market Renewal Pathfinders are reported to be facing a battle to keep on track with several schemes already stalled. In the absence of a lifetime-neighbourhoods own brand programme, the pathfinders constitute the most tangible torchbearer for a sustainable approach to large-project housing development, often providing aesthetic redesign and new community resources as part of a regeneration package. To date, the Pathfinders have proven effective in demolishing 40,000 unfit homes, improving 90,000 existing homes and building 17,000 new ones. Their future over the longer term is not yet clear.

Housing and regeneration is not the only area of concern. Services and amenities play a key role in making lifetime neighbourhoods a reality. The effect of the recession will hit localities unevenly, but all areas will find services hit hard. Local authority spending is expected to be 6-7% lower in 2009 thanks to combined revenue falls such as lower council tax, reduced business tax, lower land sales and planning applications<sup>5</sup> (and not to mention, of course, the £1bn of council money lost during the collapse of the Icelandic banking system.) This spending squeeze will undoubtedly become a double whammy when coupled with a likely increased demand for services caused by economic deprivation. Commentators have speculated that cultural and care services such as libraries and care homes could be the most badly hit, given that larger developments such as highways and transport projects were often supported by government grants.<sup>6</sup>

Other community actors will also feel the pressure. Voluntary sector organisations, a major provider of care services and housing support, will experience declining income and rising demand, a point illustrated by the recent NCVO appeal for £100M to help essential voluntary sector support and care services to survive in the short term.

In short, who will listen to the call for lifetime neighbourhoods when many communities will be struggling to hold on to what they already have?

### **Making sense of the road ahead**

Severe though the recession looks, it does not remove the original drivers behind lifetime neighbourhoods. These remain clear and present. Older people still represent half of all household

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<sup>2</sup> CBI 2009

<sup>3</sup> RICS 2009.

<sup>4</sup> Plimsoll 2009.

<sup>5</sup> New Start, February 2009

<sup>6</sup> Brian Roberts, Director of Corporate Resources in Leicester CC in New Start magazine

growth to 2026, and the UK housing market still risks failing over 1 million older people living non-decent housing.

Although development may be turgid across the country, best practice is not dead yet. In the case of the Housing Market Renewal Pathfinders, for example, they report needing an extra £2.5bn as a result of the economic downturn, but their original core funding remains available until 2011. Nor either, have developer elsewhere completely stopped work. The RICS predicts around 80,000 new homes will be built this year, substantially more than in some years past. An opportunity remains to shape these new developments into sustainable communities that will serve residents well for hundreds of years to come.

Large budgets remain in the public sector regeneration and housing pots. The new Homes and Communities Agency is planning to investing £8.4 billion between 2008 and 2011 to fund at least 180,000 new affordable homes, and by 2010-11 the ambition is to see a building rate of 70,000 homes per year, with at least 45,000 for social rent and 25,000 for affordable sale.<sup>7</sup> The HCA confirmed that it will allocate a further £93 million at five stalled development sites over the next 12 months, as part of a new £135 million strategy to kick start housing construction in the capital. The HCA's Community Infrastructure Fund will provide an additional £300m of funding, most likely for transport focussed schemes.

Meanwhile, the HCA is developing a strategy which will define their approach to addressing the needs of vulnerable and older people at local and regional levels, and the Department of Health are supporting extra care housing provision via an allocation of £80m in 27 partnerships led by local authorities from across England. Both initiatives are crucial given the continued paucity of choice around older people's specialist housing, one the key challenges in *Lifetime Homes, Lifetime Neighbourhoods*, which identified a clear need for more specialised housing of a range of types and tenures (including extra care housing), and of good quality.

Other models of development that might also jumpstart regeneration and development are attracting considerable attention. Communities and Local Government are supporting a new pilot of Community Land Trusts (CLTs) - independent organisations which own or control land for the benefit of the local community. A national framework for CLTs is being proposed. Other financial models such as Accelerated Development Zones (ADZs) and Tax Incremented Financing (TIF) are coming to the fore as mechanisms to bankroll new infrastructure, funded by borrowing against future tax revenue. The largest example of this in the UK to date is a proposed £1bn regeneration scheme in Birmingham. What's the catch? Given the risk involved to the public purse, scrutiny will undoubtedly be high, and commentators talk of the need to take local authority financial competence a level up.

We should also not forget about some of the more deep-rooted actors in our communities. Many housing associations have seen recessions come and go before, and remain key players in our communities, not just as developers and landlords but also through their social investment role. Associations are reported to be spending over £400 million across England this year to fund community schemes which often benefit older people, such as transport, repairs and adaptations, information and advice, and neighbourhood wardens.<sup>8</sup>

## Conclusion – keeping an eye on the longer term vision

- **We're still building new communities**

Development may have stalled, but it certainly isn't completely dead. And recovery will eventually come, given that recessions rarely last more than 5 quarters.

In this context, the need for lifetime neighbourhoods remains as strong as ever. If hundreds of thousands of new homes are likely to be built over the next decade, then planning and designing high quality neighbourhoods needs to start now. We have an opportunity to demand a more consistent

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<sup>7</sup> Homes and Communities Agency 2009

<sup>8</sup> NHF 2009

application of best practice and avoid the unimaginative, mono-culture housing mistakes committed by the worst offenders of the last decade.

- **Joint strategies and partnerships will remain key**

Even in good times, the challenge remained the need to mainstream a vision of social sustainability within planning and development . and to think ahead to our community needs as a standard, default part of the design process. This vision is still far from being a reality. Housing development has long been a numbers game, in good times or in bad, with short-termism and new build targets overshadowing the real issue of long-term planning for quality of life and quality of community. Many housing strategies have not taken real account of the current and future needs of older people, despite the clear evidence which exists about the demographic changes which are expected, and the challenges . as well as opportunities . which will come with an ageing population.

Effective joined-up strategies with teeth have never been easy, but it would be a mistake to think we need it any less in leaner times. The new single strategy for each local area is supposed to marry economics, housing, regeneration and development. This will not be easy . but the test for lifetime neighbourhoods will be whether it can embed itself there, and for the universal goal of growth and prosperity to be understood in the wider context of the inclusive and sustainable communities which are needed in order for a wider number of people to benefit from that growth.

The last decade has seen local authorities broaden their partnerships, and experience tells us that planning for communities, housing, jobs and infrastructure are inherently linked to both the creation of place and our aspirations for health, wellbeing and reduced inequality. Now is not the time to jeopardise these relationships, rather it is the time to strengthen them. As public spending on services will increasingly be under pressure to demonstrate a business case i.e. needs analyses and cost/benefit judgements, a strategic commissioning approach should prove fruitful when tricky decisions have to be made.

- **Ask what residents want**

The Communities and Local Government White paper provides a clear vision for consultation, co-design, co-ownership and engagement of communities in design of housing, streets, neighbourhoods and services. There has never been a better time to ensure that development capital is spend in accordance with people's needs and aspirations for housing.

- **Is the recession an opportunity not a disaster?**

It is worth remembering that a pause in development may not necessarily be wholly negative. After all, poor design was prevalent in many new build sites during the best of times, so isn't quality the key issue regardless of the economic climate?

Granted, many amenities, shops and community actors are in for a rough time . and no one is going to enjoy watching deprivation intensify in the worst hit neighbourhoods. But economies run in cycles, and recovery will surely come. How can we make the best of circumstances?

**Buy cheaper land for community and shared use** . building as many homes as we can in the urban centres we already have cannot be coherent with a lifetime neighbourhoods approach. A built environment becomes a neighbourhood when people interact, share space, populate streets and access amenities, and take an interest in shared services and resources. Can we encourage or facilitate long-standing organisations to take green spaces and community features under their wing, to safeguard for the long term?

**Don't accept poor quality design for new neighbourhoods** . housing, once built and inhabited, is difficult to remove or upgrade, but likely to last for decades. Poor quality housing will cost far more down the line in the associated burden of ill-health and social exclusion it causes.

**Reconsider local public borrowing** . local authorities do have borrowing powers under the 2003 Local Government Act but mostly only use these very shyly. Granted, the lesson of the credit crunch dictate a responsible approach, yet a sound case is likely to be possible for a

## Weathering the downturn:What is the future for Lifetime Neighbourhoods?

range of regeneration and infrastructure schemes where financing is offset against future taxation. Although the challenge for many authorities will be to develop the necessary financial management and risk assessment, this could be no bad thing in difficult times.

**Time to get serious** . Lifetime homes, lifetime neighbourhoods will remain an aspiration until the necessary forces are pulling in the right direction. More explicit linkages are needed with actors such as the National Housing and Planning Advisory Unit (NHPAU) and the HCA Academy for Sustainable Communities.

## Chapter 2: Lifetime Neighbourhoods in the credit crunch: the role of housing

***Sarah Davis from the Chartered Institute of Housing analyses the role of housing within lifetime neighbourhoods, and asks if the recession is a chance for new local partnerships to rethink a sustainable vision.***

### Summary

- The economic downturn demands a realistic approach to lifetime neighbourhoods . but we must concentrate on developing the partnerships and skills we will need for the future
- But too much compromise on standards will only sow problems for the future . lifetime homes should prove sound value over the longer term
- In difficult economic conditions, local partnerships will offer public bodies best chance of securing capital for development and regeneration, for example, linking the Homes and Communities Agency with local authorities and housing associations.
- We must not forget the importance of the existing housing stock to the lifetime neighbourhoods agenda . central spending on initiatives like Decent Homes and Warm Front must be protected.
- Is the recession a cue for us to ask if our housing system works in the first place, and if we want to carry on with ~~business as usual~~? Or should we look at a much more flexible market of different tenures and housing opportunities . one that more readily adapts to our changing need as we move through the different stages of work, life, family and old age?

The publication of the Government's housing strategy for an ageing population, *Lifetime Homes, Lifetime Neighbourhoods*, was a welcome and ambitious step to set out the kind of housing we will need for our society as it grows older. It was a refreshingly optimistic one too, recognising that housing can be a critical element in maintaining our health and positive engagement in communities in the long term. It identified the need for housing to be different to enable this, and set Lifetime Homes Standards high on the agenda, in the context of a range of attractive housing options for us as we get older and frailer. But of equal importance was the recognition given to the need for our local neighbourhoods to be more supportive of older citizens maintaining their activities in local communities. The Lifetime Neighbourhoods agenda had been highlighted before, led by the work by CLG and ILC, but this strategy established it as one of central elements to achieving a healthy and active ageing society.

### The cost of lifetime standards

The strategy was launched in more favourable economic times, but even then there were dissenting voices. Some private developers queried the inclusion of Lifetime Homes Standard in the Code for Sustainable Homes, emphasising the additional costs and requirements already required to address environmental sustainability. One debate I heard on the radio looked as though this would distressingly be set up as a generational issue, with young people arguing that any additional requirements and costs would be at the expense of their own home ownership ambitions. And that was for a standard which studies have demonstrated can be included at very little price if done at the right time. CIHNI and JRF conducted a study which demonstrated costs over the Building Regulation M requirements. It varied from £165 to a maximum of £545 per dwelling. The earlier in the design and planning process it is factored in, the cheaper it is. In the pressures of affordability we have recently experienced it is not in itself likely to be a make or break cost. Increasing use of the standard will also address developers' concerns that it is different and might address ~~saleability~~ too.

## Weathering the downturn: What is the future for Lifetime Neighbourhoods?

In the current much more harsh economic climate we face now, however, all things that add to costs and hit increasingly narrow margins for profit are being challenged, so what are the prospects for extending the vision to change our neighbourhoods to a Lifetime standard? Recent reports in the housing media have pointed to developers revisiting agreements with local authorities to deliver social rented housing and other planning gain elements previously set out in Section 106 agreements. The way planning gain was used varied greatly anyway, in terms of maximising the effective and creative use, so any decrease in what it can deliver could be a potentially huge step backwards.

Large scale regeneration schemes are at risk, and some ambitious social and affordable housing schemes are being mothballed along with the bigger developments of which they were a key part. Is there any way we can progress the vision for lifetime neighbourhoods, which means investment in infrastructure, transport and so much more? Or should we keep quiet and sit and wait for better times, when there might be more flexibility along with more money?

A lot of the questions above assume that new build housing is the crucial question, but even with the numbers set out in the housing green paper, new supply is only a fraction of the housing stock. The majority of our housing stock already exists in current neighbourhoods, which themselves need reshaping to support the Lifetime Neighbourhood agenda. Perhaps in the current climate there is an argument for concentrating our efforts here. The Government's pre budget report in 2008 identified £250 million to sustain and accelerate Decent Homes, and a further £100 million for Warm Front. How well this agenda will fare now will be shown in the next report due later in April.

### **Getting housing development moving again**

What other opportunities might there be? Should LAs receive more capital receipts to support local economies, this could be targeted at regeneration and renewal of existing neighbourhoods and investment in infrastructure, as well as housing. In this way as well, some of the key skills needed in the long term could be retained, so that when the economic climate is more favourable, there isn't such a timelag as lost skills are replenished. And LAs with land bordering such neighbourhoods may be able, with Housing Association development partners, to look at small extensions to neighbourhoods, particularly using some of the proposed flexibilities recently mooted. Keeping rents from and all receipts on any sales of new properties. The opportunities from this are limited, but might be useful in such circumstances, where they can be brought together with other funding to tackle infrastructure and facilities, in a way that will help local economies. Housing associations, where finances allow, may be able to take advantage of depressed land and property prices to obtain sites for future development too.

The Homes and Communities Agency is looking at ways it can unstick new regeneration and housing schemes. Where LAs have capacity to borrow, they can do so at lower rates than housing associations, so perhaps a three way partnership of these bodies can unlock some of the opportunities to develop, and can take a strong approach to the whole neighbourhood as well as the housing within it, reflecting the local area's demographic composition and predicted trends. Schemes such as these could be exemplars for future developments to come. More might also be possible, if the current review of council housing finance results in LAs (and ALMOs) being able to retain all their rents, providing greater opportunities for borrowing to build and develop homes and neighbourhoods.

### **A chance to rethink the road ahead**

And at a different level, perhaps now is a time to consider how the whole housing system works and whether we want it to continue that way in the future. Is home ownership the only answer for an ageing society, with the opportunities it may bring for equity to fund our health and care needs in the future? Or can we, alongside developing neighbourhoods that support active participation and citizenship at all ages, also develop housing systems that provide us with support at different times in our lifecycle as well? Housing that is adaptable, with flexible tenures that can adjust as needed. when we start a family, when we want to make a career change, and when we want to age in our homes. Housing like this, set in places that have good transport connections, local facilities, and vibrant local communities, in which we can still be active social and economic participants, giving and receiving support of friends and family, and that includes space and supports quality of life within and

outside our homes. Delivering neighbourhoods like this will require a much broader view of regeneration and development and coordinated use of funding streams, as the economic climate improves.

We have to be realistic . there are some very real pressures currently that make taking forward the Lifetime Neighbourhoods agenda difficult. But there needs to be a proactive approach to identifying the possibilities . the partnerships and the places where some progress can be made, developing the skills and providing templates for the future. We still need to maintain the vision in the long term, and ensure that we take action to embed it in the changing environment in which housing operates . particularly at the regional level in the Integrated Regional Strategies that Regional Development Agencies and Local Leaders Boards will be developing. Lifetime Neighbourhoods and continued activity by older people socially and economically will be an important consideration in tackling economic development in the future.

**In summary**, we know that too much compromise on the standard will only reap problems in years to come. We have seen that with the consequences of housing that is costly and difficult to adapt as we age, or when raising a disabled child . the pressure on the Disabled Facilities Grant system is immense. And we are only just starting to realise the scale of the challenges ahead of us - the numbers of older people, and in particular frail older people, and increasing numbers with dementia. Some of those future older people will be us, so we need to make sure we are building the kinds of homes and communities we want to live in ourselves, that support us continuing to see our family and friends and maintain our interests long into our old age.

## **Chapter 3: What's the future for retirement housing?**

***Gary Day from McCarthy & Stone Ltd explains the worrying collapse in new retirement housing and points to the urgent need to start planning for recovery.***

### **Summary:**

- The credit crunch has devastated the retirement house building industry.
- Older home owners simply cannot sell their properties and move into the specialist housing that they need.
- Notwithstanding the increasing need and demand for specialist housing, it will take many years to get back to the volume of specialist housing that was being delivered in 2007.
- The Government needs to act now, adopting a planning policy presumption in favour of specialist housing, otherwise the housing challenge of an ageing society will be seriously jeopardised.

Looking back, the launch of *Lifetime Homes, Lifetime Neighbourhoods* last February was a momentous occasion. After five years of hard work by ministers, officials, charities, and housing groups (including ourselves), the first ever housing strategy for older people emerged setting out the challenges and the vision for equipping an ageing society with the housing and communities needed for the future. Housing for older people was placed firmly on the Government's policy agenda and listening to the Prime Minister endorse the Strategy at the launch, I shared the huge sense of achievement and excitement about the future.

### **The state of play for retirement house building**

Had I foreseen the difficult times ahead, the 25<sup>th</sup> February 2008 would indeed have been a more sobering day. Since then a major collapse in the housing market has seen average house prices fall by 17% with, currently, no sign of any let up. More significantly, the lack of mortgage finance and fall in confidence in the housing market saw the number of home loans dive by 49 per cent in 2008 to just 516,000. Worse still, the Council of Mortgage Lenders anticipates zero net new lending in 2009.

The housing market collapse has brought the provision of retirement housing to a shuddering halt. McCarthy & Stone, like most (if not all) other specialist retirement home builders, has stopped construction work on a number of sites and delayed build starts on many others. Indeed, McCarthy & Stone has not commenced construction on a new scheme in the past 7 months (compare this with 58 build starts in 2007) and from a land perspective, we have not purchased any new sites since June 2008. Rather, we have (regretfully) had to abort our interests in over 60 land contracts and have had to dispose of some 20 sites, because we were significantly over-stocked. The average rate of the sales of our retirement apartments having dropped by some 50%.

No housebuilder is going to risk spending money on land and new building unless it considers there to be a realistic prospect of getting a return on its investment. In the current depressed housing market, it is not surprising that housebuilding has come to a halt because there is no guarantee that a property will sell once completed. Would Sainsburys keep stocking its shelves with eggs if nobody was buying them? While the Government considers means by which it can help the housebuilding industry to get going again, it is simply, and fundamentally, increased liquidity in mortgage lending that is most likely to achieve the desired objective.

### **Blockages in the system**

The frustration for most developers, including McCarthy & Stone, is that there are some attractive development opportunities around at the moment but that the risks are too great. Take partnership schemes as an example. We are being offered some very good sites as part of larger mixed use development schemes, but we are declining such opportunities because the risk of tying ourselves into partnerships is simply too great at this point in time. What if we complete our retirement housing block only to find that the other developers have had to put their developments on hold for a year or more? A successful sheltered housing scheme for older people relies, to a large extent, on it being within an established community. a lifetime neighbourhood. It would be foolhardy for McCarthy & Stone to build a scheme in the middle of a large development site without there being an absolute guarantee that the requisite infrastructure, shops, community facilities, public transport, etc. are going to be delivered on time.

McCarthy & Stone builds homes for older owner occupiers (now comprising over 70% of the older population) who decide to downsize to housing that is better equipped and located for their changing needs. Perhaps they feel vulnerable living alone, have trouble accessing transport and local shops, or do not want to have to maintain a large garden or house. Latent demand for specialist housing nonetheless remains strong. We still have a significant number of enquiries from interested potential customers. nearly 13,000 enquiries and over 10,000 visitors in the last six months. However, the dysfunction of the property chain means they simply cannot sell their existing house and release the equity they need to downsize.

### **Looking ahead to recovery**

Thus the current outlook for private sector developers has changed dramatically. We cannot realistically expect to meet the demands of increasing numbers of older people for specialist housing. While a number of providers in the market have withdrawn from this sector of the industry, McCarthy & Stone has been forced to restructure its business and to reduce costs and land interests in order to weather the storm. As a result, it is likely to take seven years or more to get back to the volume of homes that we provided for older people in 2007.

This assumes that the skills base will be there to enable growth in housebuilding once there is a return to normality in the housing market. Like most other housebuilders, McCarthy & Stone has had to reduce its workforce by over 50% in the last 12 months. One cannot assume that it will be easy to recruit land buyers, architects, surveyors, bricklayers, plumbers and the like, when we most need them. In the last recession (i.e. in the early 1990s) a significant percentage of registered architects who had lost their jobs chose an alternative career path to follow and have never returned to the profession. There was thus a serious shortage of qualified architects a few years ago so, if we lose more again this time around, it is going to be very difficult to kick-start and sustain growth in housebuilding, whether specialist or mainstream. The same applies, of course, to other related professions and to subcontractors and suppliers.

### **Conclusion and ways forward**

Stepping back a moment, we should remind ourselves why fundamentally future provision of specialist housing for older people is still so important. Whilst the industry is cutting its capacity to deliver by 40/50%, society continues to age. By 2026 older people will account for almost half (48%) of the increase in the total number of households. So we must be prepared to meet pent up demand for retirement housing once normality returns to the market.

I believe the Government needs to take a number of urgent steps now to facilitate a recovery in housing supply that has been suppressed by the credit crunch:

- We need to let green shoots appear. Once the market begins to recover the industry will be fragile and will need a proactive planning and regulatory system. A policy presumption in favour of development (which we used to have in the 1980s) would be an excellent and effective measure to build confidence back into the private sector.

## Weathering the downturn:What is the future for Lifetime Neighbourhoods?

- A specific priority presumption in favour of specialised housing for older people would most definitely be beneficial. It would enable older people to live in accommodation that better meets their needs and aspirations, whilst freeing up existing housing stock for family occupation . social rented or private ownership.
- Local planning contributions will, more than ever, ~~make or break~~the private sector's ability to deliver extra-care or sheltered housing. Some local authorities are already revisiting planning gain contributions, taking into account falling land values and prices. However, we need to see much wider spread sensitivity to market conditions.
- The planning system needs to be more proactive in delivering specialist housing for older people. There needs to be more recognition of the need for, and benefits of, this type of housing in Local Development Frameworks with, for example, sites being set aside with specialist housing in mind.

So the aspirations of *Lifetime Homes*, *Lifetime Neighbourhoods*, to deliver specialist housing to ~~lead~~ the world in design, support and desirability~~look~~ precarious . not just in the short term but looking further ahead to the medium and even long term. As well as coping with immediate difficulties we need to plan for a fast recovery. Without that plan the recovery could be slow and weak, the effects of the downturn will be felt for longer than necessary, and the housing challenge of an ageing society would be seriously jeopardised.

## **Chapter 4: Lifetime neighbourhoods and regeneration: the perspective from deprived areas**

*John Low, Joseph Rowntree Foundation, talks us through the linkages with the mainstream regeneration picture and the lessons learnt in community transformation*

### **Summary:**

- Neighbourhood transformation rarely succeeds through housing alone - a comprehensive approach to exclusion and deprivation is needed
- Regeneration research over the last 10 years has shown that stable funding (both capital and revenue), long term commitment, and imagination, can all combine to transform communities.
- However, in the current downturn, expensive 'flagship' initiatives are unlikely. Experience in recent years has shown that neighbourhood management projects are more affordable, and can reach more people. Government at all levels would be wise to prioritise such schemes in the current climate
- Neighbourhood management schemes can be led by local authorities. But the important role that can be played by voluntary and community sector bodies should also be acknowledged and resourced
- Support to local groups and leaders involved in regeneration is often best provided by independent, non-statutory organisations with a track record in community development and supporting neighbourhood-level groups.

Even at the best of times over the last decade, with neighbourhood renewal reasonably well-funded and high on the political agenda, deprived neighbourhoods in the UK have struggled to achieve the quality of life outlined in the 2007 Lifetime neighbourhoods discussion paper. The paper identified the key factors underpinning the lifetime neighbourhoods concept: social cohesion and a sense of place; a good built environment; high quality housing; social inclusion; innovation and cross-sectoral planning; and services and amenities relative to local needs.

True, many developers, regenerators and landlords have striven to design and manage communities with these factors in mind. JRF itself has always been in the lucky position of having the resources, in developing its own communities in and around York, to deliver communities that are balanced and sustainable. As well as pioneering the concept of Lifetime homes, in recent years JRF has been able to extend the concept of sustainability even further through the establishment of its two retirement communities . Hartrigg Oaks in York and Hartfields in Hartlepool.

Other initiatives, like Castle Vale Housing Action Trust, have been blessed with plentiful funding from government and, with imagination and hard work, have been able to rebuild and transform previously troubled communities. However, not all neighbourhoods share this good fortune: this article explores both the successes and constraints faced by regeneration communities, as well as the impact of the economic downturn on these circumstances, and ideas for how these problems could be confronted from now on.

## Understanding deprivation and regeneration

There is not space here to rehearse the well-known causes of multiple deprivation in the nation's worst neighbourhoods. Suffice it to say that they suffer from a cocktail of self-reinforcing problems including any or all of the following: poor design; a degraded environment; long-term unemployment; poor health; crime and anti-social behaviour; lack of public facilities; poor services; exclusion from power and decision-making; conflicts between different ethnic groups; and low self-esteem driven by poor reputation and post-code discrimination. Luckily, there are also positives to draw on, as the examples below will illustrate in more detail. Unquestionably the most important of these positives is the residents themselves and the outstanding energies they are able to harness to the regeneration of their own communities: local expertise, anger, irreverence, inventiveness, comprehensive as well as lateral thinking, staying power, and a long lasting commitment to changing and managing their neighbourhood.

Concentrated neighbourhood deprivation invariably builds up over years. A frequent setting for such concentrations has of course been mono-tenure estates, and consequently recent plans for designing new social housing have concentrated on techniques such as mixed and sustainable communities to avoid problems of this kind. Much of the attention has been fixed on new estates, although partial redevelopments on existing estates have also been able to draw on these ideas. However, it is important to bear in mind housing solutions alone will not solve the multiple problems that beset our worst neighbourhoods: and that housing or design solutions need to work alongside comprehensive approaches involving many other agencies.

## Local leadership is crucial

Some of the most dramatic improvements in deprived areas have come about when locally-based organisations are given or take the lead in designing and managing processes of regeneration. The Castle Vale Housing Action Trust in Birmingham had the resources not only to demolish some of the estate's worst housing and rebuild more attractive neighbourhoods, but also to make an impact on unemployment, youth services, anti-social behaviour and local business start-ups. The successor organisation, Castle Vale Community Based Housing Association, a community organisation with strong assets, is carrying forward the work in partnership with a range of agencies both statutory and voluntary. In this work there are no quick fixes and long-term commitment and staying power are essential if improvements are to be maintained. Still in Birmingham, similar results have been achieved at Perry Common where, in a novel arrangement between a community association and the local authority, the residents have been able to raise moneys (not accessible to the authority) to redesign and rebuild their estate. Here, the work has also led on to a more comprehensive neighbourhood management approach involving a range of other issues and services: again, all underpinned by a resident led community anchor organisation.

However, not all residents want to run their own neighbourhood quite like this (nor do all councils want to let them, or particularly now - have the resources to tackle problems on this scale). In other examples of good practice, local authorities have played more hands-on as well as more affordable roles in partnership with residents in deprived areas. During the 1990s, the City of York Council worked with residents on 3 deprived estates (Bell Farm, Clifton and Foxwood) to develop multi-service neighbourhood agreements. These were agreed via a process of negotiation between residents and service agencies which led to a remodelling of services which fitted better with the problems and priorities as seen by service users. This approach was adopted in other towns too, for example by the Neighbourhood Management Pathfinder in Barnsley's Kendray estate which has developed services agreements for young people as well as one for keeping the estate clean and tidy.

Research tends to confirm that comprehensive local approaches and above all maintaining continuity are what work best in regenerating and managing deprived neighbourhoods. Work carried for JRF out by LSE with 20 estates since 1980, concluded that it is possible to make long-term progress, but narrowing the gap takes years of commitment to capital funding, revenue funding and attention from central government, housing managers and residents' groups. However, even during periods when the economy has been booming the resources made available in England would not stretch to covering needs all in the country's 3,000 most deprived neighbourhoods.

Another problem, highlighted in JRF's 2008 Changing neighbourhoods report, is that neighbourhood organisations are often best served by support agencies that are independent of statutory bodies (for example, Anthony Collins solicitors, the Development Trusts Association, Community Matters or local Councils for Voluntary Service). Yet support of this kind, although provided by a number of excellent agencies, is unable to cover the demand for such services.

### **Understanding inequality in an economic downturn**

So far, we have seen that, even during boom times, it has remained difficult for all deprived neighbourhoods to achieve the conditions for stability and sustainability as suggested in the discussion paper Lifetime neighbourhoods. What impact then can be expected from the more straitened times that lie ahead in the economic downturn? Although the extent and depth of the downturn remain hard to predict, we already know that:

There are good reasons to expect that deprived neighbourhoods will decline faster than more affluent ones

- Private sector finance for regeneration is going to be much more limited
- Local authority resources, for a number of reasons, will be substantially less. This, and reductions in central funding, are likely to impact negatively on community and voluntary sector bodies who rely on such funds to support community organisations
- Government special initiative funding for regeneration is also on the wane. This tendency was in any case already in train, as government moved away from programmes targeting deprived areas (such as New Deal for Communities and Neighbourhood Management) and towards arrangements placing more responsibility on local authorities to shape places and tackle deprivation.

Given all this, there is certainly a danger that drops in capital and revenue funding to deprived neighbourhoods will threaten progress that has been made in regeneration to date, and possibly contribute to a worsening of conditions in some of the UK's most deprived neighbourhoods. For example, a number of the Neighbourhood Management Pathfinder areas are nearing the end of their government funding and are looking for ways of sustaining their work. Inevitably, not all will be successful. At the same time, novel approaches to neighbourhood management are being tried by some local authorities. For example, Bradford is intending to launch in 2009 Ward Officer Teams which will co-ordinate at ward level key services such as street cleaning and police services. Starting with crime and grime they are also interested in involving other services. Given that special initiative funding from government is less likely to be available, and that approaches like this one are likely to be more affordable than expensive flagship schemes, it would seem wise for government at all levels to prioritise schemes of this kind.

### **What's the outlook for regeneration?**

In this climate, there is likely to be an increased interest in community anchor organisations with substantial enough assets – like those mentioned above – to make an impact in deprived areas. The Joseph Rowntree Foundation has started a new community assets programme which will explore the role of community-owned land, buildings and other assets in the development of neighbourhoods. Although not exclusively focused on deprived neighbourhoods, the programme will certainly focus some attention on this area.

Finally, we know from previous recessions and rounds of service cuts that amongst the first services to be cut are those providing infrastructural support to communities: community workers both statutory and voluntary, and a range of voluntary organisations both local and national that provide such services. It is difficult to see how this will be avoided this time, just as it is impossible to describe such cuts in any way but as tragic and short sighted. In this difficult scenario, there are a few rays of hope to offer:

- Community empowerment has risen steadily up the agenda of all political parties, including a plethora of initiatives from the current administration in England. Especially in local authorities

## Weathering the downturn:What is the future for Lifetime Neighbourhoods?

that have taken this seriously, good practice is reasonably well embedded and may prove harder to cut. Also, as suggested above, localised and affordable neighbourhood management approaches seem very much the best bet for recession proofing deprived areas; and such initiatives need underpinning with good community work

- Over the last 10-15 years independent voluntary and community sector bodies have increased their national profile and collective voice. This too may help to act as a brake on cuts. We should also not forget that many development trusts, churches, other faith groups, councils for voluntary service and schools are playing key roles in supporting neighbourhoods. Everything possible should be done in the present climate to sustain their work
- Finally, although institutions are often criticised as having poor memories, the serious social disorders that broke out in the 80s and 90s in a number of very deprived areas will not have been forgotten. Nobody will want a repeat of these, and this fear could act as a strong disincentive to paring down services and funds, in such neighbourhoods, to the very bone: and as an encouragement, on the contrary, to retaining a range of low level but effective services in these areas.

**To conclude**, what is called for is a national focus by government at all levels on the question of how halt or at least slow down decline in the UK's worst neighbourhoods. We know that the dramatically successful and well resourced neighbourhood programmes of the past - the Castle Vales - are very unlikely to be repeated in today's economic climate. Instead, we are likely to see emphasis placed on more affordable neighbourhood management schemes. Sometimes, the lead will be taken by local authorities, whose experience in running such schemes has been steadily increasing. However, the role of effective voluntary and community bodies in such work should not be ignored and also requires funding. In particular, excellent value for money can be expected in funding well established community anchor organisations with well honed skills for identifying and tackling neighbourhood issues.

## Chapter 5: Valuing inclusive places

**Thomas Bolton and Rowena May from the Commission for Architecture and the Built Environment (CABE) discuss a framework for sound design and planning of neighbourhoods, highlighting the current barriers to best practice**

### Summary points

- Inclusive design and lifetime neighbourhoods are part of a wider approach to sustainable communities that benefit all residents
- The end of the housing boom represents a new opportunity to take a fresh and much needed look at housing design and quality
- Population ageing and the opinions of older people themselves still present as strong a mandate for good design as ever
- It is important to understand the unequal impact on poor design on different groups of older people in the community
- Good design requires three major levels of intervention: the borough (e.g. infrastructure, transport, amenities), the neighbourhood (e.g. street design, signposting, & accessibility), and the longer term (e.g. maintenance and management.)
- CABE propose three top priorities for promoting good design for sustainable neighbourhoods:
  - 1) Developers should take longer stakes in the places they build
  - 2) The public sector should insist on good design (for example, starting with the new Homes and Communities Agency.)
  - 3) Local authorities still need to represent older people's issues more strongly in spatial planning and development strategies.

The publication of *Lifetime Homes, Lifetime Neighbourhoods* by CLG in 2008 represented a significant statement of intent from the Government. It was the first national strategy aimed at tackling the difficulties people experience in the built environment as they grow older. It set out a clear policy direction for housing and neighbourhood design, to create sustainable communities which can accommodate people throughout their lives. The report recognised that features of neighbourhoods that particularly benefit older people – flexible housing, safe streets, well-maintained public spaces, local services and amenities – are exactly what everyone wants from their places. Lifetime neighbourhoods benefit everyone at every stage in their lives, so inclusive design should be seen as essential to good design rather than an optional extra.

However, since February 2008 the policy landscape has shifted fundamentally. As recession has arrived, priorities have been radically reassessed. The financial crisis has hit architecture, construction and development particularly hard. Public sector expenditure is also under growing strain as government departments face pressure to cut back. So where does that leave the lifetime neighbourhoods agenda? Are ambitious shifts in planning and design now luxuries from a different age?

CABE believes that, on the contrary, now is the time to look critically at what we have built over the past 10 years, and decide what we really want from our neighbourhoods in the long-term. CABE's Chief Executive, Richard Simmons, has recently published an essay entitled *No More Toxic Assets*, in which he challenges local authorities, housebuilders, government and the newly-formed Homes and Communities Agency to seek new ways to deliver high quality housing and neighbourhoods. CABE research has shown that the majority of housing built between 2001 and 2006 is not good enough, with 82% rated as average or poor. Homeowners are being short-changed, but the end of the housing boom represents an unrivalled opportunity to take a fresh look at housing quality.

By 2071 the number of people over 65 in the UK could double to nearly 21.3 million, while those over 80 could treble to 9.5 million. This changing demographic profile is nothing new – we've been familiar

with these figures for several years - but they do acquire more significance during tough economic times. It is obvious, for example, that the rising numbers of older people are an important market segment, with increasing influence and spending power. Older people will also become more important politically. According to estimates 75% of those aged 65 and over voted at the 2005 General Election compared to 37% of those aged 18-24.<sup>9</sup> National and local government has every interest in planning now for what the population will need in the near future. Developers need to think about how they provide for consumers they have previously ignored or taken for granted.

Local authorities also need to think about the effects of bad design on the older population. Although a large proportion of older people are increasingly affluent, there are large sections of the community who survive on meagre incomes. Those who are already disadvantaged may suffer even more as they grow older and have less opportunity to find work and increase their incomes<sup>10</sup>. It is important to understand the differential impact of poor design on different communities within the older population. Older people from black and minority ethnic groups may have different needs and aspirations that must be addressed. For example, older people from Gypsy and Traveller communities may have difficulty accessing health care and other services, and if moved into conventional housing may suffer with isolation from their friends and family<sup>11</sup>.

Older people themselves say they want adaptable lifetime homes, accessible green and public spaces in their communities, easy access to transport, local services and amenities and safer more secure neighbourhoods<sup>1213</sup>. Planning policy statement 3 states that local authorities should ensure that developments meet the requirements of specific groups, including older people when they consider planning applications<sup>14</sup>. However, the diverse needs of older adults, and the value of their contribution to society, should be recognised more firmly in the planning process, with an emphasis on a long term strategic approach.

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<sup>9</sup> The growing importance of older voters: an electoral demographical model for analysis of the changing age structure of the electorate by Scott Davidson. Loughborough University 2006. [www.20millionvotes.org.uk/reports/electoral\\_demography\\_report.pdf](http://www.20millionvotes.org.uk/reports/electoral_demography_report.pdf)

Lifetime Homes, Lifetime Neighbourhoods: A national strategy for housing in an ageing society .Communities and Local Government, 2008<sup>10</sup>

<sup>11</sup> Lifetime Homes, Lifetime Neighbourhoods: A national strategy for housing in an ageing society .Communities and Local Government, 2008<sup>11</sup>

<sup>12</sup> Towards Lifetime Neighbourhoods: Designing sustainable communities for all. Communities and Local Government, 2007.

<sup>13</sup> Positive ageing and the city: health and social care for older Londoners, 2008

<sup>14</sup> Planning policy statement 3. Communities and local government, 2008

Three major stages of intervention will be crucial to this.

### **1. Planning – the borough/neighbourhood scale**

- Connectivity between neighbourhoods is vital. Even well designed developments can be marooned by lack of public transport. The isolating effect of a lack of connectivity affects older people who tend to rely on public transportation.
- Developments themselves need to provide easy access to local amenities. Access to services is often harder for older people due to frailty and a lack of access to private transportation. Older people value and need a wide variety of local services, and planners should therefore consider the impact of new development on the sustainability of local amenities.<sup>15</sup>
- Public and green space should be accessible to everyone - location, frequency and connections to these spaces need to be reviewed such as pedestrianisation and public transport routes. The recession has undermined the viability of the section 106 agreements that have previously funded green space. Creative thinking is needed to develop alternative routes for providing such essential community facilities. Older people particularly value these spaces because they provide the context of community involvement and socialisation.<sup>16</sup>
- Better training may be needed for planners, including those who specialise in transport and highways to better understand the current and future needs of an ageing population. Local authorities need to actively involve older people in the planning process so they have more of a say in local developments. Engagement with groups not usually engaged in the planning process would mitigate against bolt on design solutions and promote an integrated approach.

### **2. Design – making a difference on the ground**

- Streets and public spaces should be accessible and easy to navigate.
- They should also be overlooked to promote feelings of safety.
- Public toilets should be available at reasonable intervals such as 400m.
- Benches should be available as should places to rest and relax.
- Homes should have wide hallways to accommodate crutches, walking frames and wheelchairs.
- Transport hubs need to be clearly signed and accessible, with warm waiting rooms and clean toilets.
- Health buildings need to be well located, accessible, and welcoming to users.
- More effective consultation with older people would help designers get these basics right.

### **3. Maintenance and management – keeping it going**

- CAGE Space research has highlighted the declining resources and skills available for public spaces in most Local Authorities. For example, 68 per cent of authorities surveyed said a lack of horticultural skills was affecting service delivery.<sup>17</sup> Further, unless parks and green spaces are given strategic priority they lose out on funding to

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<sup>15</sup> Towards Lifetime Neighbourhoods: Designing sustainable communities for all. Communities and Local Government, 2007

<sup>16</sup> Towards Lifetime Neighbourhoods: Designing sustainable communities for all. Communities and Local Government, 2007

<sup>17</sup> Skills to grow: Seven priorities to improve green space skills. CAGE Space, 2009

## Weathering the downturn: What is the future for Lifetime Neighbourhoods?

other service delivery areas<sup>18</sup>. Poorly maintained streets and public space effect older people's ability and confidence to use them<sup>19</sup>.

- Older people need to feel safe in streets and public spaces. Public and green spaces should prune back bushes and create clear sight lines. Staff also need to be present and visible to users. If older people feel comfortable using public spaces, other people will too, increasing use of public spaces makes them safer and ensures there are eyes on the street.
- Involvement from the community and the utilisation of skills and knowledge of older people who are active in community life would ensure community support and continued use of public spaces and places.

The recession should lead to better design not worse, and CABE believes that there are three top priorities to ensure that this happens:

i. Developers should look to take longer-term stakes in the places they build. The development model we've all used to make a quick profit and walk away leaves others to pick up the consequences. Often the victims are those most vulnerable to poor design, and most in need of lifetime homes and neighbourhoods, such as older people. Developers need to invest for the future by providing communities with what they need, and profiting from genuine investment in the future. New models of development can exploit the long term value of investments through the creation of quality assets that last and that are cheaper to maintain and run<sup>20</sup>.

ii. The public sector should insist on good design wherever public money is involved. The HCA in particular has an essential role to play in setting expectations for future design quality. The formation of the agency provides an opportunity to set the bar higher. The HCA should insist that public money will only be invested in places that are inclusive and are designed to last with the needs of older people and other excluded groups in mind.

iii. Local authorities have a duty to plan for good placemaking through local development frameworks, site preparation and by working together to achieve good design. Local Authorities should integrate issues that effect older people into Spatial Strategy Frameworks, or could include checks on Local Development Frameworks to ensure they will deal adequately with the needs of an ageing society.

The needs of older people often intersect with the needs of other groups such as young children or disabled people. High quality designed neighbourhoods enable older people and others to participate in active lives, and continue their valuable economic, political and social contribution to their communities. In the context of recession inclusive design priorities should not fall to the wayside, but should be recognised as central to developing sustainable homes and neighbourhoods. Housebuilders can no longer sell anything they build regardless of design, and it is now in the hands of the public sector to seize the agenda and set out long-term aspirations for lifetime design.

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<sup>18</sup> Urban parks. CABE Space, 2009

<sup>19</sup> Towards Lifetime Neighbourhoods: Designing sustainable communities for all. Communities and Local Government, 2007

<sup>20</sup> No more toxic Assets: Fresh thinking on housing quality. CABE, 2009

## Chapter 6: Planning lifetime neighbourhoods

**Gideon Amos OBE, Chief Executive of planning and housing charity the Town and Country Planning Association (TCPA), looks at the state of play in planning, including the need to rethink planning gain supplements, adhere to good quality development, invest in sound local 'masterplans', and develop new partnerships for delivery.**

### Summary

- The 2008/9 recession is a once in a lifetime opportunity to strengthen planning and development . requiring creative thinking, innovation and new models of delivery.
- A stark development landscape demands more, not less, from planners, who need to both prioritise the most essential schemes as well as start planning for the upturn, for example by leading a realistic but visionary local master plan to attract investment when recovery starts.
- Now is not the time to compromise on quality . in fact an expected flight to quality in the market offers a welcome chance to avoid the mistakes of the past.
- However, maintaining standards requires new funding sources if development revenues are falling - for example by reducing the cost of the regulatory burden, or by increasing public investment and borrowing.
- Planning gain agreements may need to be rethought to keep schemes viable (e.g. Section 106). Yet new agreements can be fair to developers whilst still offering value to the public purse via index-linking or other measures that anticipate recovery.
- Housing need does not slow down in a recession . even though demand might. The number of households is likely to grow by 275,000 this year.
- But if the old model of housing delivery is clearly broken, new ventures such as Local Housing Companies or Tax Increment Financing will be needed to keep development in reasonable health, especially if the private sector recovers slowly.

Delivery of lifetime neighbourhoods, during these uncertain economic times, is now under threat. We face the fallout from the credit crisis, rising fuel and food prices, an unrelenting demand and need for more and better homes and the massive challenge of having to avert climate change. But none of this means we should give up on achieving the objectives of better places . one which nearly all of us share. To deliver lifetime neighbourhoods in the credit crunch will need creative thinking, innovation and new models of delivery, at the same time planning for the upturn will be just as demanding.

The figures are stark: a reduction in planning applications by around one fifth in the third quarter of 2008 and a fall in housing starts of 58% in the last quarter, compared to the same periods in the previous year. In addition land values have fallen by almost half (48% and 49% for green field and brown field respectively) spelling more problems in land supply upstream in the supply chain. However, these statistics obscure the underlying eagerness of people to acquire a new home. The TCPA has every year published research on household numbers by its noted members Dr Alan Holmans and Prof Christine Whitehead, despite the economic factors this plainly shows that the number of households is likely to grow by around 275,000 per year . well ahead of the Government's objective that would build three million new homes. A target which for the moment at least, has little prospect of being met. Much of the recession and therefore the recovery clearly depends on the availability of credit and specifically mortgages, if these become available again quickly, recovery in the land values and prices that drive many planning standards could be fast. Others are predicting a faltering recovery in which private house building will not climb significantly due to weaker capacity in a now contracted industry. Good planning that provides for bringing forward development in different ways given either of these two circumstances arising will therefore be crucial to getting development right for future generations.

## What can planning do?

Unemployment is rising and forecast to increase to over 7% by the end 2009. Like other industries struggling in the downturn the recession presents a big risk to employment in the planning sector. Some people are suggesting that it is a good time for planners to sit back and relax. Actually it is a good time for planners to leap into action, reviewing development proposals for their town or city and working with local politicians, developers, housing associations and communities to prioritise schemes they believe really must happen.

It is paramount that planning authorities and other key stakeholders maintain the standard of well planned development throughout this period. The offer of a well planned high quality built environment . a good masterplan - will be the master key to renewing confidence in development and in an area's future. In short it is always better to have a plan if you want to command support, confidence and investment . whatever the economic climate. The challenge will be making a plan that stacks up in new and faltering economic times for planning and development.

Maintaining standards therefore must go hand in hand with finding new ways to meet those standards. Taxing rising land value through section 106 contributions works when land values are rising . in a falling market around £1.9billion could be lost from expected planning gain agreements in the year ahead. The TCPA has always argued for a fair linkage of such measures to the value of land and sometimes been accused of wanting to tax too much . in reality such an approach would see landowners and developers taxed less as values have recently fallen.

So major costs of development . the so called regulatory burden . must be defrayed in different ways if anything is going to happen at least in some locations if not all. To continue to deliver lifetime homes in lifetime neighbourhoods public money and even borrowing will be needed. Allaying the already growing taste for public infrastructure investment with development projects and statutory plans for development is a must.

Standards must be maintained within developments themselves, whilst we need to accept that the pressure on financial contributions for less directly related features intensifies.

There are however opportunities too. People want to live in good places, we know that a premium will be paid for a home opposite a high quality public open space such as a park and many developers speak of a flight to quality in the face of economic uncertainty. In lifetime neighbourhoods terms it is time to fly willingly to higher quality when it comes and deliver development once again on a human scale to avoid repeating the mistakes of the past, like the dash to build one bedroom city centre loft apartments, many of which now lie empty. The thinking that maximising density is a proxy for maximizing sustainability was always a false assumption . as most planners know it's more complicated than that. With around 80 per cent of people aspiring to live in a house with a garden, the challenge is to deliver sustainable high quality medium density neighbourhoods. Decent quality homes will remain marketable.

## Addressing the decline in Section 106 contributions

Vital community features such as a new classroom at the local school, transport improvements, neighbourhood energy schemes and crucially for the Lifetime Neighbourhoods agenda quality public open space are all likely to suffer. This is due to a reduction in Section 106 agreements during the recession and probably for the foreseeable future as recovery of a now contracted construction industry lags behind economic recovery. Local authorities will want to be cautious in renegotiating existing Section 106 agreements, but the phasing of payments within many will need to be rescheduled. A form of index-linking to potential increases in land values with clawback clauses should be agreed to ensure recompense is made to the public purse in the event of soaring future land values.

To ensure key projects can still go ahead renegotiation will be necessary with supporting infrastructure instead be funded from local authority borrowing. This might be repaid the TCPA suggests from attendant future tax revenue from the new residents such as through delayed action or 'index linked' Community Infrastructure Levy on areas that benefited from the development. In the US

such systems are known as Tax Increment Financing. The Public Works Loans Board has ample ability to fund such borrowing but local authorities must be allowed to apply Revenue Support Grant and/or the Housing Revenue Account to service the debt.

In the longer term and to encourage investment in affordable housing, an acceptable alternative way to safeguard the enduring provision of social housing needs to be found to the current use of clauses in section 106 agreements which commit individual dwellings to the social rented sector 'in perpetuity'. Until local authorities and their communities are convinced that the alternative on offer is as cast iron as local housing remaining affordable in perpetuity there is unlikely to be progress.

### **Housing delivery - new planner-developers**

With the old model of housing delivery clearly broken, new innovative delivery models are needed to ensure lifetime homes in lifetime neighbourhoods continue to come forward.

Historically the TCPA was one of the biggest supporters of the original co-operative and co-partnership housing programmes which once provided an intermediate route to obtaining a new home based on part or full ownership. Attracting institutional investment into the development of homes for rent requires a new model to be created for such investors, while smaller scale co-operatives - which can self commission new homes for groups of families or individuals - need to be established.

Another welcome return is the drive by councils to start building council houses again. The 2007 Housing Green Paper introduced the concept of the Local Housing Company, a development partnership between councils and the national regeneration agency, formerly called English Partnerships and now known as the HCA.

Acting as the master developers for new communities Local Housing Companies provide the opportunity to not only build homes but to create places where people want to live. Housing associations working with authorities and the new Local Housing Companies can become the new planner-developers as private sector housebuilding is projected to recover only slowly from the recession. Local authority housing starts are, from a very low base, rising and local planning authorities can and must work with their housing colleagues to support such ventures.

### **The future for lifetime neighbourhoods**

The recession facing the development industry offers the UK a series of ~~once~~ once in a generation+ opportunities to strengthen the way that we build, and rebuild, our communities and to make our commitments to achieving higher standards one that sticks.

To meet the needs of society we must positively plan for housing and neighbourhoods that reflects the needs, aspirations and changing lifestyles of all of us. Through improved prosperity, healthcare and technology we are all living longer and planning has a vital role in ensuring that older people have access to good quality housing, helping them remain independent, comfortable, confident and secure in their homes. Now is certainly not the time to compromise on the ambition of a decent home in a good environment for all.

## Chapter 7: Conclusion

This report has been published to coincide with a discussion event held on 1<sup>st</sup> April 2009. **As such, it will be updated into a new edition to reflect the comments and arguments raised on the day.**

**However, some concluding points are clear:**

- The success of the lifetime neighbourhoods agenda will rely on a clear and shared vision between its chief proponents . all interested parties need to work together to safeguard our shared work to date and promote the concept further
- Lifetime neighbourhoods were never a luxury . they are a fundamental platform for preparing for the challenges of an ageing population, and should sit clearly with the broader, mainstream framework for sustainable planning
- Retirement housing provision is in near collapse . we need to ask how this will affect our communities in the years ahead
- Regeneration has been hit hard . and housing alone has proved an unreliable engine for community transformation
- We must begin preparing for economic recovery and ask how we can capitalize on the current circumstances wherever possible
- New models of financing schemes are needed, demanding new skills and expertise. However, the partnerships that will be necessary to underpin them offer promising opportunities for joint community planning
- Despite the bleak economic picture, we are still building hundreds of new neighbourhoods every month. Good quality design will remain crucial, and public bodies are right to insist on high standards
- Community actors and voluntary organisations are the vital ingredients in successful regeneration and creating lifetime neighbourhoods. Not only should we engage them more in planning, but we will need to find ways to support them through difficult times.

Please watch our website [www.ilcuk.org.uk](http://www.ilcuk.org.uk) for updated editions of this report.

Weathering the downturn:What is the future for Lifetime Neighbourhoods?



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