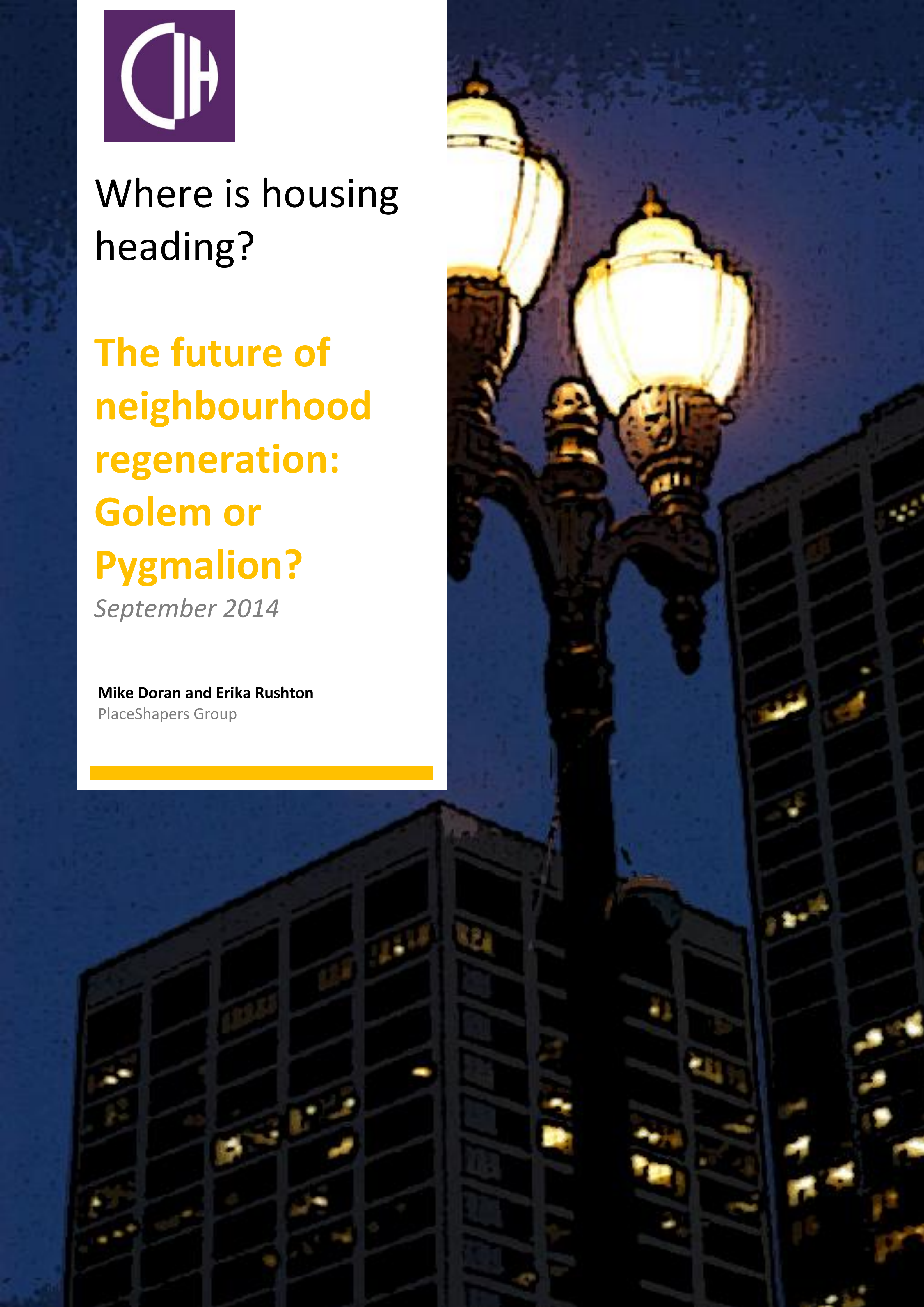

Where is housing heading?

The future of neighbourhood regeneration: Golem or Pygmalion?

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Where is housing heading?

In December 2013, the Chartered Institute of Housing (CIH) began a new series of policy discussions on the key issues facing housing over the next five years

Two years after the coalition government published its housing strategy *Laying the Foundations*, and 18 months ahead of the General Election, we wanted to take the opportunity to pause and consider developments since 2010: where we have ended up, what's worked, what hasn't, what we've learnt about the policy positions of the main parties and where things might be heading next.

We've commissioned a series of leading commentators to give us their views on these and other issues across different policy areas over the coming months. In this tenth essay, Mike Doran and Erika Rushton of the PlaceShapers Group of housing associations consider the history and future of neighbourhood regeneration, including what works and what doesn’t.

We hope you will enjoy the essays and that they will stimulate debate over the critical period in the run-up to the election.

10. The future of neighbourhood regeneration: Golem of Pygmalion?

Introduction
Invited to take part in the CIH policy essay series, PlaceShapers went prospecting for evidence of neighbourhood regeneration that had worked and asked whether a new regeneration policy was feasible or desirable?

Housing associations and the National Housing Federation have been recording the impact of welfare reform on those for whom poverty has undoubtedly increased, in order to defend the need for benefits. Austerity cuts have left some area regeneration programmes half-finished and some excellent employment-support projects without staff. But the rolling back of regeneration orthodoxies has also created spaces and places in which PlaceShapers are finding unexpected partners, unexpected resources and, where they are willing to reframe the 'poor neighbourhood' problem, some unexpected outcomes.

Introducing the poorest neighbourhood competition
After World War II, slum clearance, the reconstruction of bombed cities and their connecting infrastructures, and the massive post-war building programme reached their peak in 1968. Whether this resulted from Keynesian government spending or free market trade remains disputed. Nonetheless Harold Macmillan's 1957 view that 'most of our people have never had it so good... ...a state of prosperity such as we have never had in my lifetime' continued well into the 60s. Supported by unemployment levels below two per cent throughout the 50s and 60s, compared to over 13 per cent before the war, this was a relatively shared and inclusive prosperity.

But the oil crisis, banking collapse and decline of British manufacturing saw unemployment rising to seven per cent by the early 1970s. A report prepared for Merseyside County Council in 1975 acknowledged that as the economy declined the 'least attractive areas (in terms of appearance, accessibility and other attributes) become under-populated and derelict'. The report is known to be one of the first to propose a strategy to concentrate investment 'in those areas with the most acute problems'.

A sense of national failure saw the demise of the Labour Government in 1979 although the incoming Conservative government inherited their 1978 Inner Urban Areas Act. At that point a big share of the economy and almost all its infrastructure were in state hands – a third of all homes were rented from the state, the health service, prisons, roads, sewers, water, the post, gas, coal, railways, refuse, airports, ports, buses, some car and ship building, telecoms, ferries, and, of course, some banks were all government run. By the time Margaret Thatcher resigned ten years later that 'sense of failure' had enabled the privatisation of 60 per cent of all state-run services, with the promise of greater competition and ownership now enjoyed by a nation of shareholders.

In reality the number of individuals with shares has declined from 40 to 30 per cent since privatisation and the competitive process has shown that some of the best companies to run the UK's privatised railways, postal services and power stations are state-owned – by other countries. As the Guardian's James Meek points out, they also now own the tax and taxation powers that accompany them.

In 1990 John Major sought to decentralise regeneration. As part of the wider competitiveness ideology that saw Major embed compulsory competitive tendering for certain public services, which is still reflected in procurement processes and in aspects of public service delivery, he introduced competitive bidding by those areas seeking investment. Deprived areas, deemed 'uncompetitive', were required to compete for 'City Challenges'. The competitions expanded to other funds, until 1994 when most funding arrangements were simplified into a Single Regeneration Budget, again subject to competition between uncompetitive areas. This was not quite the *Hunger Games* – a science fiction film franchise in which selected children from 'districts' are required to fight to the death in an annual event – but SRB encouraged poor neighbourhoods to display the extent of their poverty in order to be crowned the investment victor.

Extensive evaluations of these programmes have concluded either that 30 years is insufficient time in which to deliver comprehensive regeneration[i] or found the 'most successful activities were improvements to the physical fabric of the area, building the community'. Though individual projects have been successful 'over the last 30 years there has been no dramatic change in the relative ranking of the most deprived areas in England'.[ii]

When New Labour took control in 1997 they sustained, and embraced, the principles of competitiveness throughout the economy, requiring Best Value in respect of price and quality in public services. However this period also saw a decade of economic growth. The alignment of physical investment by regional and then city-level development companies has undoubtedly assisted the re-urbanisation of cities such as Liverpool and Sheffield.[iii] What is not evident is whether this growth has impacted on those neighbourhoods classed as deprived.

Parallel to this 'regeneration' heritage, neighbourhood renewal principles that owe their origins to the sanitary reforms of the 19th century, were driven by improving the housing stock. They came to the fore in public policy in the late 1960s until the early 1980s but by 1989 housing renovation grants had become means-tested and comprehensive renewal programmes in inner cities rapidly declined.

The 1998 New Deal for Communities intended to offer a ten-year commitment and £2 billion to deliver real change and 'joined up thinking'. Evaluations suggest that, like earlier programmes, NDCs were more successful in delivering place-based improvements and less successful at people-based change.[iv] A New Commitment to Neighbourhood Renewal was announced in 2001 with the aim that within ten years no one would be disadvantaged by where they lived. Local Strategic Partnerships brought public partners together to deliver the challenge, linking housing to regeneration in a more explicit way than before. Finally one of the most controversial housing programmes – Housing Market Renewal – was launched in 2002 based on evidence supplied by Brendan Nevin, Ian Cole and others,[v] although it remains unclear whether the primary purpose was to facilitate a housing market to meet rising aspirations from those within poorer areas, or re-take areas of cities – the cheapest areas – to attract the more affluent who would pay the higher council taxes that had previously exited these city boundaries.

Competitiveness is usually defined by the productivity with which a nation, area or company utilises its human, capital and natural resources. The idea of competitiveness and the competitions for government resources held to improve it, that emerged in the late 70s, have persisted. Participants at all levels seek 'efficiencies' and, if efficiency is doing the same job with fewer staff, then many of the services that have been privatised, including housing, are more efficient. Whether efficiency is better for the neighbourhoods served by those companies, where an individual's sense of self-worth is undermined by the lack of jobs, and in turn this increases the cost to the public purse, which is buying from now-privatised suppliers organised to deliver shareholder profit, is questionable.

The search for competitiveness, and the competitions for resources to become more competitive, have pervaded government's approach to the regeneration of poor neighbourhoods for over 30 years. But in the wake of the global crash and subsequent austerity cuts the regeneration competition has ended. There are no resources on offer. Before campaigning to reinstate them it is worth considering the original intentions and the most probable consequences were that campaign to be successful.

Regeneration Winners

Thirty years ago the UK began a place-based competition that invited towns and cities to play against each other in a national, and sometimes European, league to be the poorest city. Those eligible to play were those judged economically uncompetitive but, in this competition at least, some won big money. Prizes ranged from a meagre £1 million SRB to some whopping New Deals and these wins could be used to enter the European League where multi-million match-funding pyramids were on offer which, for example, Liverpool won for three successive terms (Merseyside Objective 1 funding between 1996-2014 totalled £840 million).

Ten years ago Bradford-based housing provider Incommunities won Single Regeneration Budget and Housing Corporation resources to regenerate former council estates and felt they had successfully regenerated the stock. Anna Fryer, Neighbourhood Director at Incommunities concluded, however: 'the people, it's the same, we have the same problems; social isolation, limited opportunity'. The big SRB idea was to have a mix of landlords, introducing choice and competition, but in reality investment resulted in a mix of social landlords offering homes improved to the same standards, at similar prices, to people who couldn't afford to live elsewhere. Incommunities now feel 'you only come to these estates if you want social housing and if you get a good job you probably move because, even if you wanted to stay, you can't buy a house here'. Regeneration has not delivered the mix of tenures and incomes first envisaged.

Similarly Plus Dane Group in partnership with Liverpool Housing Trust spent Housing Corporation and funds raised through borrowing against rental income on the ten-year regeneration of an estate in Halton. Neighbourhood Manager Gaynor Nichol acknowledges the estate looks better, lettings are up and turnover has reduced, but 'issues for people who live here are the same, unemployment is as high as it ever was, domestic violence remains exceptionally high' and 'the new food-bank' suggests poverty is increasing. Regeneration has undoubtedly delivered physical improvements but units in the new £11 million Village Square remain empty. Residents may not have the spending power, or entrepreneurialism, to sustain it.

But to think this is only a northern problem, or even an economic problem, would be a mistake. In London, where the economy is undoubtedly booming, Poplar Harca own 9,000 homes right next to Canary Wharf, which some would claim is the archetypal regeneration policy success. 'Why would people be unemployed here?' asked Helen New, Poplar HARCA's Head of Communications. 'Residents don't always see where they fit into the economy, it's not always about the lack of opportunity, it's about perception – what I am able to do, what worth do I have in this place'. The experience in Poplar suggests that even if economic growth and competitiveness on a grand scale are achieved in Bradford or Halton, local employment will not necessarily follow.

The poverty competition is played at an individual level too. Choice-based lettings, first introduced in 2001 by the Labour Government, were intended to introduce choice to those seeking social housing and create competition between providers - free market housing. The policy documents claimed applicants would then be more likely to be living somewhere they could settle in and enjoy and, in turn, this would create communities that are 'stable, viable and inclusive'.[vi] Housing associations allocate their homes to applicants willing and able to define themselves as having the greatest need, demonstrating their eligibility by scoring points against a scale of need criteria. So to enter the social housing market you must first be willing to describe yourself as 'in need'.

A series of interviews with residents in Liverpool by Plus Dane Group revealed most people (excepting existing tenants) believe social housing is for 'problem families and unemployed people'. Young people particularly did not think social housing, and the identity they associated with it, was for them as 'we wouldn't want one of those houses, everyone will think we're poor'. They rightly aspire to success and want their self-image, their home, to portray this.

Need-based regeneration programmes and needs-based allocation policies may not only be putting off the very people with the aspiration for and vision of a stable, viable and inclusive community, it may also be persuading those who live there they have needs that must be met. For those people who benefit from successful employment or enterprise projects their newfound prosperity may equip them with the means to leave those places and homes associated with deprivation. In one deprived area of Liverpool, 300 residents who were successful in getting jobs or creating small businesses were tracked. They systematically left social housing for areas that signalled their newfound prosperity. The local social housing provider then allocated their vacated home to a new deprivation winner.

Big physical changes do require big money and PlaceShapers point to big infrastructure projects like Hackney and Dalston, where the connectivity that Cross Rail provided enabled communities to access employment, mono-tenures to become mixed, money to be circulated, and enterprises to grow. Similarly in Liverpool, government investment has delivered land assembly, infrastructure works, development and redevelopment that has encouraged 26,000 people to take out a mortgage, invest in city-centre living for the first time and facilitated Grosvenor's £920 million Liverpool ONE retail development that attracts thousands of shoppers and visitors each week.

The Golem and Pygmalion effect

But Liverpool ONE also attracts hundreds of 16 year-olds each weekend, who travel in from visually improved outer estates, to traipse round in search of elusive Saturday jobs, whilst stores struggle to recruit people with the right attitude. The challenge, to make these big money investments deliver opportunities for those families for whom employment remains inaccessible, persists.

Most educators have heard of the Pygmalion effect where the greater the expectation placed upon people, the better they perform or, conversely, the Golem effect where low expectation leads to a fall in performance. The idea that one's expectations about a person lead them to behave and achieve in ways that conform to those expectations is most popularly illustrated in George Bernard Shaw's *Pygmalion*, and its adaptation *My Fair Lady*, in which Eliza Doolittle is transformed by Professor Higgins' expectations. Evidence has confirmed that those treated as stupid in school are least likely to achieve whilst those encouraged to aspire are more likely to realise their dreams.[vii] The self-fulfilling prophesy has, since the 1950s, been offered by criminologists as an explanation of both repeat victims and repeated criminal and antisocial behaviours.[viii] And Clinical Commissioning Groups draw on evidence[ix] that older people who believe the age stereotype (that becoming old means becoming useless), are more likely to suffer memory loss and poor physical functioning, rely on costly medical interventions and die sooner than those motivated by a vision of an active and productive old age. We often get what we expect.

Our discussions suggest the Golem effect may also be operating on a community, or on occasion city-wide, scale. Perhaps we should not be surprised that those people required to define themselves as 'in need' to get a house, or who live in areas that are required to compete to be the most 'deprived' in order to secure resources and services, may lack the self-belief, confidence and social networks to solve their own problems or re-build their own economies. Similarly those towns and cities which have defined themselves as the poorest, honing and owning the deprivation narrative to win regeneration competitions, may continue to depend on Westminster for their regeneration. Thirty years of regeneration policy may have facilitated failure on an individual, community and city-region scale.

Golem

The single biggest determinant in almost all life indicators is the opportunity to work, to feel we have a valued and valuable role within our community. Evaluations of regeneration programmes over the last 30 years suggest efforts have been more effective at delivering physical and place-based improvements and much less effective at delivering changes for people.[x] Many of those programmes have tried to solve unemployment by doing things for, and to, the unemployed, presuming they lack something; believing if only they had 'it' (more skills, more advice, more something) they would secure a job.

Hayley Hulme, Head of Regeneration in Ellesmere Port began her career improving buildings and points out that the approach to people regeneration could learn lessons from the ten-year plans and investment models proven to work for places and buildings. 'If you don't believe in yourself then you first need someone to believe in you, trust in you'. Most of the programmes on offer do the opposite, 'we treat unemployed people as if they are failures who need our help, not opportunities to be realised with the right investment'. Hayley points to the most recent 'troubled families' agenda and asks who would self-elect to join that programme. If the Golem effect applies it will result in compounding troubled families. Hayley suggests that ten-year people investment plans would make residents feel of value and argues the financial cost-benefit is undeniable and has already been established. It's expensive to keep people on benefits and even more expensive when you add on the physical and mental health costs to individuals and their families.

Underpinning most employment interventions sits the assumption that those with the least capacity are to blame for their own unemployment and don't want to work. It is easier to blame those with the least power so those with more can absolve themselves. However the supply of work, and the degree to which labour is used to produce goods and services, is outside their control. Employment, or the lack of it, cannot be the fault of those with the least control over it. Most tenants and residents want to work.

Plus Dane Group recently received 150 applicants for an access-level job, of which they have very few, whilst higher level jobs attract as few as five hopefuls. 'For very entry-level job secured we are telling 149 people they are unsuccessful and some of those people are applying for ten jobs a week'. Failing to get a job becomes part of a wider definition, and self-image, of failure. Imagine being told by your landlord you have got a home because you have needs, not strengths; by your local authority you are deprived, not advantaged, by where you live, and then to be told ten times a week, 40 times a month (that's 500 times a year) you have failed, you didn't get the job, if they bother to tell you at all. It may not be logical to then expect confident, successful interviewees. The local job centre asked a housing provider in Knowsley why they didn't use their services to recruit and the provider replied that the candidates the job centre sent were never able to meet the standards required by them. The job centre advised that the candidates they sent were their tenants.

Exacerbating the lack of entry-level employment has been the endless search for the holy grail of efficiencies; stripping out the tea boys and trolley girls, the summer office clerks and play workers, the hod carriers and site hands. The idea of efficiency, imported from the private sector, where the push for productivity was designed to reduce cost in order to increase profit, has been embraced by the social housing sector. As Guardian writer James Meek points out, 'if efficiency is doing the same job with fewer staff, then many of the services that have been privatised since the 60s are more efficient'.[xi] Whether 'efficient' housing providers are serving tenants, communities and economies that need jobs is questionable.

Of course it's possible to deliver universal products and services in bulk or at scale, designed or built to a standard spec with little or no variation, more cheaply than it is to deliver customised services. Those with complex, unusual or just individual tastes and needs create greater costs as the product has to be customised. So difference becomes a problem as people, homes and places are reduced to 'cost units' in which they are expensive.

Aspire Housing were generating efficiencies to invest more in communities whose top priority was the creation of jobs. If creating revenue to service increasing debt, or reserves as a buffer from debt, is a priority then job efficiencies make some sense. If creating employment is the priority then associations might conclude, as Aspire did, that increasing access-level jobs that also enhance services, is more efficient.

Poplar HARCA, on the Canary Wharf doorstep of wealth and opportunity, point out 'the housing stock we took on hadn't been invested in for decades, but neither had the people and, just like the homes, it's a long game'. Poplar HARCA used the Estates Renewal Challenge Fund that enabled them to invest capital in community facilities within each estate. The investment has proved its worth. A recent Goldsmith Study has shown that every one pound Poplar HARCA invests generates £12 back for its community. Even today they invest £2 million revenue each year in helping tenants get or create work.

Incommunities also say if they had SRB money again, and freedom, 'we would invest in people the same way we do in buildings, they are our customers and we need them to feel and be sustainable. A shed load of money on a housing estate doesn't change your life experience if it's only spent on your house'. They found community grants attracted people who wanted money, not people who wanted to make things happen. 'People put their energy into getting the grant, not making a difference, a product, or a selling a service. It's the wrong kind of investment'. Similarly Plus Dane found that a 'call to action' in 2010 attracted local entrepreneurs and businesses to get involved in solving local problems and creating local jobs. Some familiar partners who had anticipated a grant bidding round didn't make the second meeting.

Pygmalion People

PlaceShapers struggled to identify examples of area-based regeneration that had, in their view, worked for the tenants and residents living in former areas of need and deprivation. But in exploring what had worked it became evident that interviewees had examples of emerging economic activity that didn't result from regeneration policy, master-plans or feasibility studies. It resulted from the willingness of PlaceShapers to reframe the problem, share ideas and resources, put tenants and residents in charge, and be open to unexpected opportunities.

Young tenants in Poplar HARCA said they wanted to be community leaders. So Poplar HARCA supported them to start up a social enterprise, Leaders in Community (LIC) to empower young people to contribute to their community. Quickly proving their worth with numerous successful schemes and events, Poplar HARCA awarded them with a youth outreach engagement contract so they could recruit a dynamic range of young people to set up a Youth Empowerment Board. The Board has gone on to be award-winning and with a direct report into Poplar HARCA's governance structure is influencing a £1.5 billion local regeneration programme as well as directing a now flagship youth facility.

Leaders in Community have also gone on to run popular initiatives that reduces loneliness and offers social care; young people are acquiring skills in a sector that struggles to recruit; and the estate enjoys improved social cohesion between old and young – three outcomes for the price of one is efficient.

Poplar HARCA are not just pocketing the savings, they are thinking how to invest other resources to stimulate enterprise; they invested unused space in a group of mums who had no childcare. They used the space to look after each other's kids and now run the most popular Ofsted-approved nursery in the borough, and are paying rent. This year an unused space was transformed into Tower Hamlet's first Building Lives Academy. It has already supported 60 people into construction and redefined the age of the apprentice, recruiting people from 16 to 60. These are just a few examples of how a social landlord can raise their social return on investment.

Plus Dane's Helping Hand programme is using resources differently too. Helping Hand is designed by older people to connect and promote all the services and activities in the area – public, voluntary and private sector – that used to be run for small groups, to all older people within a neighbourhood. Online shopping and local services are available through an online 'app' designed by older people themselves and the project, originally designed as a 50-person pilot, attracted 300+ members in just 12 months. The 'Blue Bingo' now attracts 180 regulars; Cabaret Afternoons are full to capacity; you can't get a place on the Shopping Bus; Knit and Natter are talking to fashion students about knitting their latest designs; tickets for Laughter in the Park are like gold dust; the cinema advertises Silver Screen events; and last year activities made a surplus that the older people donated to a homelessness charity. This social network is providing older people with friends and services that already existed. By increasing demand, cost is reduced and members increasingly support each other rather than looking to 'service providers'. Older people make up around 30 per cent of most housing associations' customers and the private sector recognises this as an opportunity. Asda, Tesco, Boots, Home & Bargain and Barclays are all investing staff resources in Helping Hands as they are keen to secure the trust and custom of the growing silver pound. What was thought by Plus Dane to be an increasing cost may be a shared income opportunity.

IN Environmental Services isn't unique. The Social Enterprise, an arm of Plus Dane Group, was set up to employ local people at risk of permanent exclusion in delivering grounds maintenance within and beyond Plus Dane estates. Uniquely, it was set up and is now run by a street cleaner, has been established for over ten years, is independent of all grant and has a turnover of £1.5 million. Joe Feeley, ex-street cleaner and now Head of Environment Services and an enterprise award winner says 'almost no one, including myself, thought I would set up and run a £1.5 million business but ten years later here I am. It was the investment of confidence in me that made me do it'. As Joe says now 'we employ the worst person for the job, not the best, and then I invest my belief in them just like others did in me'. One trainee asked what he had done before working at IN Environmental Services said 'Nothing. I was unemployed for almost 30 years and at 52 I thought I would never work and spent my time moaning at the wife and kids'. Five years later Billy is a permanent employee and claims that INES didn't just turn his life around, it saved his marriage and made him believe there was a future for his three kids. They were struggling at school then, now they are all in college or working. The investment of belief in Joe Feeley by Plus Dane has delivered over 300 life-changing returns to date.

In each of these examples housing associations invested more than cash, they also invested trust and confidence in young people, old people, and unemployed people believing they had something to offer and were critical to finding ways to do it. Each customer group demonstrated that a problem, or cost, can be an investment in a viable opportunity with not one but multiple social benefits.

Pygmalion homes

Incommunities recognised that welfare reform and the infamous bedroom tax, designed to free-up social housing for those who needed it most, were having unintended consequences. The real impact was turnover undermining the community networks that had enabled older people to be cared for by longstanding neighbours; friends to do after school pick-ups so mum could keep her job; and widowed drinkers to be offered lunch so alcohol consumption began with a full stomach. ‘We think people need care, or they don’t, but for most people it’s an exchange that takes place over a long time. You move people around those exchanges, investments don’t deliver returns and then people have to rely on unaffordable, disappearing, public services.’ Incommunities recognised this social network was what they should be investing in. Retaining tenants has become their priority as they are starting to recognise the value resident relationships offer, not only to their locality, but to Incommunities’ bottom line.

If Incommunities have to sell some social housing to encourage people securing employment to stay, then they do just that. Incommunities used to let homes to people in need, and so people with needs lived on their estates. Choice-based lettings weren’t delivering either the customers, or the data, they needed to let their 20,000 homes or make their neighbourhoods sustainable. They withdrew from the scheme in June having developed an alternative allocations system. Just two months later they have 5,000 people on their waiting list for their 20,000 homes of which 36 per cent are working people.

In Liverpool the residents of Granby4Streets had lived in derelict streets for over 25 years when the last big regeneration plan fell apart. They stopped attending meetings and began clearing rubbish, painting tinned voids, planting flowers, fruit trees, herbs and vegetables, turning the streets into shared gardens. A street market now attracts 30 stalls and 200 shoppers each month to buy and sell home-made food, spices, breads, jams and chutneys, hand-made jewellery, second-hand clothes and bric-a-brac. Bands play, food is cooked, coffee is issued across garden gates and drunk at picnic tables where regulars meet and have their nails or faces painted. That this is a community worth investing in first attracted a social investor and now Granby4Streets CLT are leading their own eclectic regeneration in which Liverpool Mutual Homes, Plus Dane and Biko Housing are supporting acts.

Intensive regeneration meant London’s Poplar HARCA had a number of empty properties available for short-term let. Rather than leaving the properties empty, Poplar HARCA developed a partnership with Bow Arts Trust to offer short-term tenancies to local artists at an affordable rent. The new tenants not only loved their homes, residents liked the fact that properties in their community were no longer empty.

In the early 80s Ken Livingstone, of the Greater London Council, marketed ‘hard to let’ homes to students, young professionals, ‘creatives’ and former squatters. His policy had unintended consequences as the new residents brought capacity, aspiration, DIY skills and desirability to what were then termed ‘sink estates’.[xii] The bedroom tax has also had some unintended consequences. Some have argued it was a policy designed for London and the South East and had little relevance to the north. However it has prompted PlaceShapers - North and South - to rethink who their homes are for and challenge the appropriateness of needs-based allocations policies which concentrate many people with high levels of need in the same place.

Pygmalion Places

North Liverpool had received 30 years of regeneration investment but remained at the top of the poverty league table, defined by its own deprivation. The City’s cabinet sought a partner willing to do things differently. There was no budget, no new money. An initial 12 partners, including four housing associations, swelled to 40 public, private and community organisations in just 12 weeks. Pooling staff and resources across organisational boundaries, in favour of the 'Beautiful North' campaign, designed pro bono by the private sector, involved residents taking photos of hidden beauty spots; city centre gigs and events being diverted into the North End; derelict land becoming a match-day car park re-investing £100k a year in community enterprises, and an underused and costly public park becoming a profit-making open air venue. The campaign encouraged private partners to create Saturday jobs for young people who wanted experience and spending money; regeneration signs were replaced by ideas on posters; empty shops have become artisan bakeries; investors were persuaded back to kick-start stalled developments, and there is now a waiting list for homes. The problems of North Liverpool haven't gone away, but the community is no longer waiting for help, it's busy creating a place where aspiration and possibility are common currency. A luxury hotel opened last week hosting a local enterprise conference for the International Festival of Business.

A managed workspace, planned before the crash, lost its funding as the North West Development Agency was disbanded. Baltic Creative got creative the day the money went. The tin sheds were delivered with a minimum of rules, restrictions or representatives and people started to move in, make, create, and collaborate. Within 12 months of opening 45,000 sq. ft. of refurbished space was fully occupied by 60 growing creative and digital businesses providing 250 jobs. A skateboard park, foundry, music studios, Sunday market, new Urban Technology College and Baltic Bake-House were all attracted and now do business alongside car mechanics, fork-lift truck drivers and butty vans in a creative area with a growing reputation as both a workplace and social magnet. The owner-manager of one venue declined public grant because 'we realised if we took the grant we would have to say what we were going to do here, and we didn't know. We try things and if they work we keep doing them, if they don't, we try something else'.

This year Liverpool came third to Sarajevo and Rio de Janeiro in the Rough Guide Top Ten places to visit - Baltic Triangle featured front page. Last week the *Financial Times* featured Baltic Creative in an article on Liverpool's increasing entrepreneurial and economic success. District, Kitchen Street and Constellations – three new Baltic ventures - all made it into the *Guardian's* top ten venues this summer. Baltic is a place where people are creating their own economy.

If PlaceShapers people, homes and places had waited for the regeneration game, a game they were all good at winning, in Bradford, Liverpool, London or Cheshire they might have got what they had come to expect – need, dependency and deprivation. Those things are undoubtedly still there as food banks flourish and older people depend on care from a system in which it is hard to care. But PlaceShapers are also discovering that if you expect the unexpected, invest not only resources, but trust and belief, the unexpected can happen. People presumed to need help are doing things, better and more cost effectively, for themselves and each other. Homes evidenced to be in low demand are popular with unexpected people who bring ideas and energy. Places viewed as deprived are proving to be beautiful.

Pygmalion Regeneration

So what has a period of austerity taught PlaceShapers about regeneration policy? That people, like buildings, require investment but can deliver a return; the cost of doing nothing can be very high, whilst doing something, almost anything, can offer unexpected returns; and our expectations of need and dependence may determine the outcomes not just for individuals but for whole communities.

If a new regeneration policy is to be feasible and desirable the challenge is to apply these principles to the people and the places we endeavour to regenerate in ways that are replicable, scalable, and affordable. PlaceShapers don't have all the solutions, but they offer a framework of real neighbourhood regeneration opportunities in which collaborators are invited to talk, test and invest:

- **Benefit for a benefit:** Most people want to work, as PlaceShapers' 150 applicants per job evidence, and access-level opportunities are proven to provide a route into sustained employment. We have people who want something to do, we have things that need doing, we have spaces in which things could be done, and we have, in the form of benefits, money. This latent talent and latent investment could be combined to, for example, improve green space, grow local food, reduce loneliness and provide low-level care. At the moment benefits pay people to stay at home or, most recently, to fill out job applications as if that, in itself, were a job. Existing benefits could be regarded as an investment in a person, in exchange for community benefits through which unemployed people create live CVs and gather experience and references. The challenge would be to find sufficient opportunities to meet demand in target neighbourhoods.

- **Labour-intensive procurement:** The most people for the longest time! Capital resources might also be applied differently. For example Liverpool's Garden Festival site was closed, but alive and growing, for 25 years before a £4.4 million capital injection was rapidly spent following a traditional procurement of a contractor selected on cost, quality and timescale. Had the site been nurtured back into use the same investment, used differently, could have employed 60 people for 5 years, providing local fruit and veg, and attracted more visitors.

  The duty of Best Value, supported across the political spectrum, requires public bodies to 'consider overall value – including social value – when considering service provision'. Schooled in efficiency and lean methodology, housing providers currently seek solutions delivered over the shortest possible time using as few people as possible. If it is jobs that communities most require then contracts should be awarded to those who require the most people, over the longest time possible, within the same cost envelope.

- **Prospecting for multiple outcomes:** Instead of grants, communities and housing associations might seek freedoms and flexibilities to deliver multiple outcomes. If you have grant those who want money tend to step forward, whilst if you have a problem to solve, a challenge to meet, then you are likely to discover those with imagination, ingenuity, and invention. In Poplar Harca young people were commissioned and chose to work with old people in place of more traditional youth and social care services and delivered youth, health, employment and care outcomes; multiple outcomes for the price of one. The elderly people involved in Helping Hands have asked for an adaptation of Grinder – a gay dating app that connects you locally - on their tablets and young people are showing them how to use it. It may offer an unexpected low-cost solution to isolation and loneliness. Faced with solving their own dependency, young people, old people and unemployed people have all proved to be entrepreneurial, recognising the value in social networks, and offering multiple outcomes from singular contracts. An invitation to customer groups to explore and invent solutions may see some very different providers and more cost-effective services emerging that harness private as well as public and voluntary sector capacity.

- **Homes Where Dreams Come True:** PlaceShapers have found new tenants, and new allocation priorities, have refreshed and animated deprived areas and estates and some now have waiting lists for properties that were in low demand. When existing residents in Liverpool were invited to market empty homes and unused spaces they sought people with the best ideas, energy, capacity and those who wanted to make a commitment to their neighbourhood. To become a social housing tenant you must first be willing to define yourself as needy. Housing providers could begin their relationship with every new tenant by asking not what they need, but what they have to offer a neighbourhood, what their hopes and aspirations are for themselves and their children, and begin a conversation about how their neighbours might help them realise that potential in this place. A group of young people in Liverpool said ‘we wouldn’t want to live in one of those houses – everyone will think were poor’. Housing providers could market their homes as places where dreams come true. They just might get what they expected.

- **The Index of Multiple Celebration:** The Conservative government have all but abandoned the Index of Multiple Deprivation. What PlaceShapers have discovered is that when the bureaucracy of regeneration has drawn back, local entrepreneurialism has emerged. Although the economies emerging at Baltic Creative, #PPLR and Beautiful North are no replacement for the regeneration investments that delivered Canary Wharf or Grosvenor’s Liverpool ONE retail development, they may offer an alternative, or complementary, economy. As public and private services, and their taxation, are increasingly globalised, outside the control of locality, region or state, the growth found amongst PlaceShapers is (like gentlemen’s clubs accredited as the foundation of the industrial revolution) the result of unexpected, and exclusively local, partnerships across the sectors. They have all used online social networks to cross boundaries and find new products, services and customers. These individual examples are not sufficient to provide an alternative economic model but by ranking communities for their ingenuity and celebrating their efficiency in finding multiple outcomes, a celebratory model may offer a platform through which inspiration can be shared and copied through mechanisms such as TED talks (a non-profit devoted to ideas worth spreading). An Index of Multiple Celebration would recognise the strengths, rather than the weaknesses, of places beyond their geographic boundary and share ideas worth stealing.

If, as discussions among PlaceShapers suggests, expectations are one determinant of neighbourhood outcomes, then it may be time to replace campaigns to protect benefits with a campaign to invest benefits;

time to see empty homes and spaces as opportunities to imagine; and time to replace the Index of Multiple Deprivation that has defined neighbourhoods, with an Index of Multiple Celebration that inspires them. It may be time to expect the unexpected.

PlaceShapers is a network of more than 100 housing associations who have signed up to a set of principles that can be seen at www.placeshapers.org – the essay focuses on examples from the network.

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