Introduction

This report outlines some research findings following a study of housing regeneration in Bensham and Saltwell, Gateshead. The research was carried out between 2014 and 2017.

This report focuses on the Gateshead Regeneration Partnership (GRP) and the wider transition of local governments to become self-funding following the phasing out of the Revenue Support Grant. The report begins by outlining the background and rationale for the formation of the GRP, and what the partnership offers Gateshead. It then highlights three key findings:

- **Housing governance is increasingly market-led**, but how viable/sustainable is this approach in Gateshead? Is it exclusionary?

- **A lack of transparency** exists in the GRP. Three examples of this are the absence of public consultation, information not being publicly available, and the public-private nature of partnership is being hidden.

- **A narrowing of local politics and democracy** within the GRP as housing governance is officer-led and alternative local views on housing are side-lined.

It is recommended that these findings be understood as risks to local government, alongside considerations of financial risks and viability.

Background to the Gateshead Regeneration Partnership

The 2010 Coalition Government’s localism policy agenda and large-scale reduction in public expenditure saw an end to many centrally funded regeneration programmes. This included housing market renewal (HMR), an initiative aimed at renewing housing markets in selected neighbourhoods in the north and west midlands of England. Gateshead Metropolitan Borough Council (GMBC) were mid-way through implementing HMR locally when funding was withdrawn in 2011. At this time some streets in the neighbourhood of Bensham and Saltwell were fully or partially demolished, and other streets partially emptied of residents. The need to finish the job of regeneration was left in the hands of the local government.

GMBC entered into a joint venture partnership in March 2012, to deliver the stalled HMR regeneration in Bensham and Saltwell, and other sites across the borough. The Gateshead Regeneration Partnership (GRP) is a limited liability partnership between GMBC, who provide the land for development, construction group Galliford Try, who build the houses (under their housing building arm Linden Homes), and housing association Home Group who provide funding and management of any social housing that is provided (at the time of research). The GRP is a long-term partnership expected to deliver 2,400 homes over a 15-20 year period across nineteen publicly owned sites of varying types (greenfield and brownfield).

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1 The scope of the research covered the historical development and re-development of the neighbourhood through various policy interventions in housing. There was a particular focus on housing market renewal and the current Gateshead Regeneration Partnership.
What the Partnership Offers Gateshead

The GRP offers GMBC a way to regenerate land and provide housing in areas that would not otherwise be developed by private house builders in the current economic climate. It does this through leveraging what is understood to be more ‘market-desirable’ land, such as greenfield sites, and combining this with less ‘market-desirable’ land, such as brownfield or low value sites. Nineteen publicly owned sites are included in the GRP portfolio for development across the borough, with the potential to add more sites. The GRP develops a selected bundle of land at one time, giving the stability to develop houses across the long-term. Partners are understood to share both risks and rewards.

The partnership offers GMBC more control over the building of houses across the borough. It does this specifically by attempting to lead the local house building industry by offering:

• Architect designed houses, with high specifications in terms of space standards, fixtures and fittings.
• Houses built to a high standard of sustainability, with higher than average levels of insulation and energy-efficiency.
• Higher level of affordable housing provision than that required by local planning policy in the case of Bensham and Saltwell (although this cannot be guaranteed as future sites are developed).
• Supporting local labour and apprenticeships.

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The GRP has been held up as an example of good practice in public-private partnerships, it has received acclamations within the housing industry. For example, the scheme in Bensham and Saltwell has recently been shortlisted for a North East Planning Excellence Award by the Royal Town Planning Institute. Whilst understood to share financial risks across partners, there are wider risks and concerns associated with this partnership that the remainder of this report sets out.

Market-led housing governance

The GRP is positioning housing governance and the management of public land in increasingly market-driven ways, which raises key questions:

Affordability and housing for who? Following the demolition of housing under HMR, the replacement of new ‘aspirational’ houses in Bensham and Saltwell is aimed at attracting new house buyers with a higher socio-economic status into the neighbourhood. Although most of the new housing has been sold to ‘local’ people, the GRP have measured this as buyers within 5 miles or 2 miles of the site. This distance measurement overlooks the geography of housing markets. For example, the higher socio-economic neighbourhoods of Low Fell (within 1 mile of the site), Jesmond and Whickham (within 3 miles) and Gosforth (within 4.5 miles) are all captured in this radius. The housing has not necessarily been sold to many immediately local residents, because it is not affordable to them. The starting price of a new house is more than double the average price of a home demolished under HMR. In shaping the housing market and demographics of a neighbourhood, there is a fine line between so-called ‘social mixing’ in regeneration and attempts at state-led gentrification.

Is housing becoming an income generator? There is the potential for the GRP to pursue increasingly commercial returns from house building, beyond achieving ‘regeneration’. It is not known what the financial structure of the partnership is (see section 2 on transparency): how is it financed? What financial risks are being taken? What profits have been realised and how have or will these be used in the future? Future profits from housing may be used to fund other public services, which would bring about a new set of risks.

How viable is the GRP? As local authorities nationwide are transitioning to become self-funding how financially viable is the large-scale sale of public land to private housing? Have other options for the retention of public land, or solutions which would retain a longer-term income been considered?

Lack of transparency

There is a lack of transparency in the GRP in following ways:

Access to information. The GRP are bound by a series of legal documents and business plans, none of which are publicly available. The perceived ‘commercial sensitivity’ of the partnership is prioritised above public awareness or scrutiny.

The hidden nature of the GRP. The nature of GRP as a public-private regeneration body is being actively concealed as houses are marketed for sale though the established ‘Linden Homes’. Branding the development as wholly private is being done so to protect house prices and avoid stigmatising the development as ‘public housing’:

‘...as far as the public are concerned, they see the Linden Flag and Linden speaks for itself, it’s private and I think obviously that keeps the values up and they know what to expect.’

(Anonymous respondents, 2016)

The identity and role of the GRP is being actively shielded from the general public in order to attract certain socio-economic and house-owning people into the area.

Lack of public engagement/consultation. There has been no public consultation on the formation of the GRP. There has been no public consultation in the site selection of public land included within the GRP portfolio for development. Only when individual sites are put forward for planning permission are local residents consulted through the statutory planning process.

There is a shift away from public engagement and consultation as more marketized tactics such as promotion are creeping into understandings of public engagement.
‘There is no current proactive engagement [in Bensham and Saltwell]. The next, I suppose it’s going to be promotional activity, obviously in relation the development of the site.’
(Anonymous respondent, 2015)

A lack of transparency and move away from public engagement are significant findings worth reflecting on in relation to GMBC’s direction and role in housing and wider public interest.

Narrowing Local Politics and Democracy

Many local people (including local government officers, politicians and members of the public) are in favour of stronger provision of ‘public’, ‘social’ or ‘council’ house building. However, these local views are set against a long-term national policy context that has shrunk this role. Whilst there are often central-local government tensions on such issues, the GRP’s market-driven approach to housing is side-lining alternative local views or approaches to housing in two ways:

**Understanding the place of local politics.** The ‘left-leaning’ views of some local councillors on housing (in favour of more affordable and social housing) is understood to be a challenge:

‘The Council is in the complex position of having to bring our councillors along with us, the political side of things...it’s one of the challenges for us beyond just this partnership, bringing our politicians along with the changes in the Housing and Planning Bill.’
(Anonymous respondent, 2016)

Professionally tasked with achieving national policies and local strategic goals sees the GRP positioning alternative local political views as problematic and having to be brought into line.

**Officer-led partnership.** The GRP is accountable to the board, which consists of a total of eight members that represent the three partners: two from Galliford Try, two from Home Group and four professional senior officers from Gateshead Council. The GRP was therefore neither democratically elected/consulted on, nor has any direct democratic representation. Political involvement comes through cabinet members being briefed on the progress of the GRP. The GRP is therefore entirely officer-led.

These points raise important questions about the place of debate and political representation in local housing governance.

The future for housing in Gateshead

The national transition of local governments to become self-funding is changing the shape and way in which they function. There is an increasing turn towards marketized approaches to housing, property and land. Often delivered through various forms of public-private partnerships, such local arrangements bring different risks, which need to be better understood.

In Gateshead, there are financial and social risks in allowing the market to lead housing governance and the management of public land. There are also wider political and democratic risks in not making these processes transparent and excluding the public and local politicians.

With great thanks to all participants in this research, who have talked openly and honestly about their experiences. Doing so enables research to inform, and be informed by local government practice.

Notes

[1] The research was carried out by the author of this report as part of a PhD in the Department of Geography at Durham University. The research was funded by an Economic and Social Research Council studentship. Methods included 38 formal interviews, 40 informal interviews, focus groups, archival research and document analysis. Participants included local government and GRP representatives, local residents, business, community organisations, and politicians.