

## Poverty Street: The dynamics of neighbourhood decline and renewal

-  *Poverty Street* draws on evidence from twelve of the most disadvantaged neighbourhoods in England and Wales, using Census data from 1971, local administrative data from 1998 onwards, and over 400 interviews conducted in 1999 and 2001.
-  The neighbourhoods have multiple problems - unemployment three times the national average; Income Support claims twice as high; health and educational attainment well below average; and often sub-standard and hard-to-let housing, poor environments and high crime and antisocial behaviour.
-  These problems have their origins in wider trends that concentrate the least advantaged people in the least advantaged areas: economic restructuring, counter-urbanisation, changing housing demand, rising inequality and international population movements.
-  The government has responded with a range of area-based initiatives and a National Strategy for Neighbourhood Renewal. Residents and front-line workers report that these are making a difference: improving facilities and services, joint working, and resident involvement.
-  These are very positive changes. However, at the time of the research in 2001, major impacts on front-line services such as policing, estate management or youth work were not yet evident.
-  Moreover, despite local interventions, it is wider trends that continue to drive neighbourhood fortunes. During the 1990s, particularly at the end, the trajectories of the neighbourhoods began to diverge. Neighbourhoods that were best placed, such as those in Inner London, began to re-popularise, although not necessarily to 'regenerate' because of the counter pressures of the growth of disadvantaged populations. Less well-placed ones continued to demonstrate many of the same problems as before. Some may be beyond 'regeneration', demanding strategies for managed decline.
-  The broader causes of neighbourhood problems demand broad solutions. Some of these need to be non-spatial in nature: reducing inequalities between people as well as between places. Others need to be based on an understanding that place does matter. Policies need to be differentiated and firmly based on tackling root causes of spatial variations in poverty. Strategies based principally on managing the problem are unlikely to be successful.

### Further Information

This CASEbrief summarises findings from *Poverty Street: The dynamics of neighbourhood decline and renewal* by Ruth Lupton, published by Policy Press (Paperback ISBN 1 86134 525 6 £21.99, hardcover ISBN 1 86134 536 4 £50.00). The book is available from booksellers or from the Policy Press ([direct.orders@marston.co.uk](mailto:direct.orders@marston.co.uk)).

## Long Histories of Poverty

The 12 areas were selected using 1991 Census data, to represent wards in the top 5% on two deprivation measures. Two were in inner London, one each in Birmingham, Newcastle, Sheffield, Leeds and Nottingham, and others in Knowsley, Blackburn, Redcar and Cleveland, Caerphilly and Thanet.

At the start of the study in 1998, the gap between the areas and the national average was great on all indicators. But this was not a new problem. Relative poverty was a result of the areas' economic structures and their residential function. It was a long established feature of all the areas, with the exception of one, Beachville<sup>1</sup> in Kent, which had been largely non-residential until the 1980s.

Nine were areas of primary deprivation; i.e. they had been poor since their inception. These included six inner-city or industrial neighbourhoods built during the Industrial Revolution, and three areas built in the 1920s, 1930s and 1940s, for slum clearance and to accommodate city population growth.

The remaining three areas, in inner cities, had once been better off, populated by middle-class households who subsequently moved to the suburbs. These areas had become home to immigrant populations and to transient households. They could be described as areas of secondary deprivation.

## Decline in the 1970s, 1980s and early 1990s

All the areas suffered serious decline from the 1970s to the early 1990s, as a result of three forces: economic restructuring, widening inequality in society generally, and population shifts.

This was a period of catastrophic employment loss, with the continuing decline of traditional industries and the collapse of manufacturing. Over 50% of male full-time jobs were lost in some of the areas between 1971 and 1991. The least diverse economies were hit worst.

Structural economic change resulted in widening inequality in society generally. Earnings levels became more differentiated and benefits failed to keep up. Locally, as jobs declined, so did population. Poverty became more concentrated among those who were left, and especially in areas of council housing, where changes in allocations policies and the introduction of the Right to Buy led to further residualisation.

The result of these changes was that the areas remained poor, and become relatively poorer, despite attempts at regeneration.

## Spiralling problems, poor management and struggling communities

Concentrated poverty manifested itself in dilapidated environments, hard-to-let housing, and anti-social behaviour, as people who could choose increasingly chose to live elsewhere.

Public services struggled to keep up with increasing social problems. Bigger and more complex caseloads stretched services beyond their limits. The additional challenges were not adequately recognised in service design and funding. Front-line staffing had also been diminishing over two decades as 'the contract culture' transformed public services. Part-time and specialist staff contracted for specific tasks replaced full-time, local, generic workers.

<sup>1</sup> Not its real name. All the names of the neighbourhoods in the study have been changed.

'Community' continued to exist in the form of informal supportive relationships and formal community organisations. However, 'community' did not guarantee cohesion, integration or social support. Established networks were exclusive and isolating to some residents, and in any case became smaller and more defensive as a reaction to the problem behaviour of a small number of households. Meanwhile, opportunities to exploit wider social networks were limited, partly for practical reasons like transport, but partly because the areas and their residents had become stigmatised and avoided by others.

## Diverging fortunes

During the 1990s, the fortunes of the neighbourhoods began to diverge, as new economic and residential patterns emerged.

With the continuing decline of manufacturing and growth of service industries, a new economic geography was developing. Inner London, and other central cities to a lesser extent towards the end of the 1990s, saw overall job growth in retail, entertainment and financial and professional services. However, outside the city centres, growth was patchy, and concentrated in the southern half of the country, not in the regions where these areas were located. Although certain areas, with specific locational advantages such as good business infrastructure or proximity to major transport routes, did attract jobs in 'out-of-town' growth sectors, such as call centres, warehousing and distribution, others were not sufficiently well-placed to compete for the limited growth opportunities. Some areas were not pulled up by the general economic recovery simply because economic restructuring was creating a new economic geography that did not match the jobs map of the past. These outlying industrial areas were in continuing economic decline.

Diverging economic trends gave some neighbourhoods more regeneration potential than others. Declining industrial areas continued to lose population and have insufficient housing demand, leaving the least popular neighbourhoods vulnerable to rapid decline. By 1999, none of these areas had any waiting list for social housing. Some had 10% of their homes empty overall. These neighbourhoods suffered from vandalism, litter, and dumped rubbish. Moreover, their problems continued despite government regeneration programmes at the end of the decade. Although housing and services improved there was no evidence of 'regeneration' in the sense of renewed popularity or sustainability. In Knowsley, the proportion of empty council properties nearly doubled between 1991 and 2001. On some estates, whole rows of homes were empty, and although vandalism was increasing, maintenance services had to be cut because of loss of rental incomes.

Areas of economic growth did have potential to reverse decline but some were much better placed than others, depending on their location and housing stock. The two Inner London neighbourhoods began to become more popular in the late 1990s among professional people, because of their location. House prices in these areas rose by 35% and by 47% between 1999 and 2001, compared with a national average of 22%.

There was some limited evidence of gentrification of secondary deprivation areas in other inner cities, but the same trends did not apply to council housing areas or those that were more peripheral. Meanwhile, those inner areas that were becoming more popular with people on high incomes were also gaining more disadvantaged residents: asylum seekers and other incomers and homeless families. There was qualitative evidence of within-neighbourhood polarization.

Thus, in the neighbourhoods that were best placed economically and residentially, the late 1990s saw the beginnings of re-popularisation, but not necessarily of overall 'regeneration' because of the counter pressures of the growth of disadvantaged populations. Less well placed neighbourhoods continued to demonstrate many of the same problems as before.

### Policy Interventions and Conclusions

While these wider trends played out, the late 1990s saw a big increase in regeneration attempts.

Most areas had experienced ‘regeneration’ before. Previous programmes had improved housing or facilities or developed training or youth provision. There was tangible evidence of improvement but the effect was ameliorative rather than transformational.

New Labour’s area-based policies took on lessons from the past and increased levels of investment. Some areas had as many as eight new initiatives when we visited them in 1999. These delivered additional services and facilities, particularly for childcare and early years education and for adult education. They all emphasised community involvement and provided new opportunities for local people to influence decisions. In every area, partnership working between agencies had improved. Joint initiatives between police, housing and the community were the most common examples.

These changes were undoubtedly beneficial. However, improvements in mainstream services had not yet taken place and were still limited by funding and the contract culture. Moreover, the changes mainly affected neighbourhood management and facilities, not the wider causes of neighbourhood change. Efforts were still concentrated on managing the impact of spatial inequalities, rather than on root causes.

Towards the end of the study, more strategic approaches began to emerge to tackle housing supply and demand issues and to mix tenure. Several local authorities transferred their housing stock in order to raise money for large scale demolition and refurbishment. Others pursued more radical plans to break up poverty concentrations. Newham Council, for example, planned to demolish council housing to make way for mixed tenure developments. There was vociferous local opposition, demonstrating the difficulty of implementing strategic approaches in a way acceptable to current residents.

What was not evident was any strategic attempt to tackle disparities in labour demand, through regional policy. Area-based programmes concentrated on labour supply issues or small-scale local job development. Nor were the neighbourhood impacts of international immigration or the settlement patterns of disadvantaged ethnic communities being addressed in a strategic way.

For this reason, current neighbourhood renewal strategies are likely to have an ameliorative rather than a transformative effect. The problems of poor neighbourhoods demand solutions that lie beyond the neighbourhood, in the tackling of inequalities between people as well as places. They must also be founded on a sure understanding of the diverging trajectories of low income neighbourhoods. In particular ‘regeneration’ may not be an achievable goal in every case. The need to develop strategies for managing the long-term transition of areas in economic decline may turn out to be a bigger challenge than managing the ‘area regeneration’ interventions upon which our policy aspirations have focused to date.

#### About the study

The research on which the book is based was funded by the Economic and Social Research Council (ESRC) and carried out at CASE under the direction of Professor Anne Power. *Poverty Street* reports on the first four years of the study, which will continue until 2006.