

Local Housing Plans: Learning from Great Britain

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Abstract

As the U.S. Department of Housing and Urban Development refines the new Consolidated Plans, which replace the Comprehensive Housing Affordability Strategies, it should examine Britain's experience with local housing plans. Case studies of four best-practice cities—Glasgow, Dundee, Birmingham, and York—highlight the value of these plans in assessing the success of cities in their new “enabler” role.

Five key lessons for American cities emerge from this article. First, these plans can serve multiple roles beyond bids to central government. Second, local housing plans should address market-rate as well as below-market-rate housing issues. Third, American housing plans should use a wider range of data sources than census information alone and should incorporate housing market analyses dealing with specific areas and population groups. Fourth, the stress on implementation and strategy in British plans should be emulated. Finally, aspects of Britain's competitive bidding system should be considered for implementation.

Keywords: Great Britain; Urban planning; Low-income housing

Introduction

America's record in local housing planning over the past 20 years has been mixed at best. Most local officials viewed the Housing Assistance Plans (HAPs), which are required to receive Community Development Block Grant (CDBG) funds, as a “paper exercise.” As the U.S. Department of Housing and Urban Development (HUD) refines the new Consolidated Plans, which replaced the Comprehensive Housing Affordability Strategy (CHAS),¹ HUD should draw lessons from other countries where

¹ According to the final rule published by HUD, “the planning activities embodied in the rule [providing for the Consolidated Plan] are those of the Comprehensive Housing Affordability Strategy (CHAS) requirements enacted by the Cranston-Gonzalez National Affordable Housing Act (NAHA) and of the Community Development Plan requirements, added to the Community Development Block Grant Program by NAHA” (Final Rule 1994). According to Kathryn Nelson of HUD (1995), the Consolidated Plan does not have as much

housing planning has been more successful. Great Britain's experiences are particularly relevant. The U.K.'s system of local housing planning was instituted at about the same time as America's HAP. However, Britain's system has proved to be more sophisticated and has benefited from strong technical guidance issued by London's (or Edinburgh's) central government to its localities.

This article describes the emergence of Britain's system of competitive local housing plans and seeks to answer seven sets of questions regarding these plans.

1. What are the missions of these plans? Are they simply bids for funds from central government? If not, what other functions do they serve?
2. What is the scope of the local planning effort? To what extent do the plans extend beyond low-income housing issues to middle-income housing issues?
3. What approaches are used to measure housing problems? What is the relative importance of housing needs analysis as compared with housing market analysis (a comparison of future demand for housing with future supply to identify the need for new construction)?
4. How are priorities set for different types of policies (e.g., rehabilitation of inner-city tenements versus the redevelopment of peripheral housing estates)?
5. How are citizens and home builders involved in the preparation of plans?
6. To what degree are the plans concerned with implementation issues (e.g., coordination between housing and planning agencies, indicators of management performance)?
7. What is the relative success of neighborhood revitalization strategies?

Answers to these questions are sought through case studies of four best-practice British cities: Glasgow (population 672,500),

rigor and oversight regarding priority setting as the CHAS does. The Consolidated Plan decreases the number of things that local agencies have to complete, including the number of income categories that they have to fill out on forms.

Dundee (172,300), Birmingham (1,014,000), and York (123,100).² The first three are manufacturing cities that experienced declines in their industrial base. City leaders attempted to revitalize local economies as centers for the service sector. In contrast, York is a regional center and much less dependent on manufacturing, but the successful conservation of its medieval core has made it an important tourist destination.

Housing and planning officials at both the city and neighborhood levels in these four cities were interviewed, as were experts at British universities and staff from both the Scottish Office and the Scottish Building Employers' Federation.³ In addition, site visits to local area housing projects were conducted and relevant plans and reports were studied, particularly the four most recent housing plans: Birmingham's *Housing Investment Programme, Strategy Statement 1992* (Birmingham City Council 1992), Dundee's *Housing Plan 1990–1995* (City of Dundee n.d.), Glasgow's *Housing Plan for the 1990s* (Glasgow City Council 1992a), and York's *Housing Strategy Statement 1993/94* (York City Council n.d.).

Recent changes in the housing and planning environment⁴

To understand local housing plans, key characteristics of British housing and planning policy must be recognized. First,

² The cities were selected based on conversations and correspondence with British housing experts including Robina Goodlad and Duncan MacLennan (University of Glasgow); Colin Wood (University of Central England); and Barry Cullingworth (formerly University of Delaware, now Cambridge University). These experts defined for themselves what constituted "best practice." These four local authorities are not necessarily representative of the approximately 450 in Great Britain. In fact, the sample is biased toward Scotland and large urban authorities (all controlled by the Labour Party). While important lessons can be derived from the experiences of these four, the article lacks the experience of authorities in southern England, who have had to deal with and recognize the problems of housing affordability and housing shortage. As one of the anonymous reviewers of this article noted, "southern authorities have been much more active and not unsuccessful in an 'enabling' approach to social/affordable housing provision, e.g., through the use of housing associations, planning powers, low-cost homeownership, etc."

³ There is a danger in a comparative study such as this of relying too heavily on statements from local officials and, as a result, uncritically accepting their sentiments. This is especially true today in Great Britain, because of the increasing importance given to presentation and "quality of strategy." I tried to avoid this problem by corroborating conclusions across multiple interviews, including national and community officials, in addition to city staff.

⁴ This section draws heavily from Best (1994).

housing departments are on the District Council level and are responsible for providing a wide range of housing services, including the management of council/public housing.⁵ Housing departments are one part of local authority. The British use the terms “local authorities” and “housing authorities” interchangeably.

Second, beginning in 1979, the direct provision of housing has been deemphasized. Housing authorities are losing quality stock to sitting tenants who are entitled to purchase their homes at a discounted price. Council housing, which peaked at 30 percent of the nation’s homes in 1980, now accounts for 20 percent of the total. (The comparable figure for the United States is roughly 1.5 percent.) The policy has both positive and negative results. Many new owners take special pride in their homes and have made substantial improvements. The policy’s downside is that it has reduced the number of rental properties. Local housing authorities are increasingly seen as enablers that set the strategic context for implementing housing policies but have few powers to carry out the policies. The enabling function encompasses promoting house building,⁶ fostering house improvement, influencing property management, reducing disadvantage, providing information and advice, and being the nucleus for urban regeneration efforts such as City Challenge (Bramley 1993; Goodlad 1993).

⁵ The housing function in British cities is quite different from that in American cities, where housing authorities are usually separate from city government and manage public housing, and where city housing development departments handle federal government allocations to nonprofit groups and work with developers to produce affordable housing.

⁶ Since the 1980s, many local authorities have used legal agreements with developers to obtain a proportion of affordable homes in private housing developments (a process known as achieving planning gain). This arrangement is encouraged in the 1992 Department of the Environment’s Planning Policy Guidance, Note 3, which makes planning consent conditional on a proportion of affordable homes being provided on each significant site. See “Inquiry into Planning for Housing” (1994) for a more detailed discussion of the strengths and weaknesses of using the planning system to attain affordable housing goals. Dunmore (1992) provides a detailed discussion of efforts to secure affordable housing through new private developments. These new guidelines and targets seem remarkably similar to the various types of inclusionary housing policies being implemented in different parts of the United States (e.g., policies stemming from the Mt. Laurel decisions in New Jersey and the mixed-income housing programs of the Housing Opportunities Commission in Montgomery County, MD).

Third, to provide low-cost and social housing, more emphasis is being given to “housing associations.”⁷ The pressure for growth among housing associations has led to intense competition and cost cutting. Consequently, some associations have not only had to charge higher rents but have also had to cut quality standards. These associations are funded by central government via the Housing Corporation in England and Scottish Homes in Scotland.

Two funding channels for housing in Great Britain—Department of the Environment/Scottish Office to local authorities, and Housing Corporation/Scottish Homes to housing associations—are competing with each other for a dominant role. One of the key housing planning issues is how best to link these two funding channels.

In Scotland, there is a remarkably detailed parallel planning apparatus by Scottish Homes (housing association business plans) and local authorities (housing plans). Housing association business plans exist only in Scotland and were introduced in 1988. Business plans enable housing associations to explain what they do, to say what their objectives are, and to indicate how they are going to achieve their objectives over a two- or three-year period. A recent report to Scottish Homes (“Strategic Use of Local Authority Housing Plans” 1995) suggests ways for improved interaction between strategic planning processes in local authorities and Scottish Homes’ district planning process.

Fourth, the Housing Act of 1988 gave tenants of local housing authorities the power to exercise tenants’ choice in the selection of a new landlord (typically one or more housing associations) to take ownership of their estate. It was assumed that the competition for ownership between the housing department and the housing associations would raise levels of service.

Fifth, there has been a switch from bricks-and-mortar subsidies to personal subsidies. That is, central government has reduced subsidies to council housing and pressured local authorities to raise rents. In the past, the subsidies have allowed rents to be kept low. Local authorities have been pressured to increase rents. However, the reduced subsidies and higher rents have not led to government savings, because all tenants are entitled to Housing Benefit through the Department of Social Security,

⁷ “Social housing” is a term used throughout Europe to refer not just to public housing but also to housing subsidized from public sources. In the U.K., “social housing” encompasses both council/public housing and the homes of nonprofit housing associations.

which can reduce the rent to nothing for those who are completely dependent on the state. Consequently, the reduced subsidies to local authorities have been counterbalanced by escalating Housing Benefit costs. Since Housing Benefits is a means-tested system, the switch may have created a serious problem of work disincentives. Further, higher rents may be making council housing less attractive for those with higher incomes, thus fostering the “residualization” of this housing stock.

Sixth, major central government initiatives, including “Estates Action” in England and “Partnership Areas” in Scotland, have been established to address poorer public sector rented housing. Cities that use these two programs must provide evidence of sales to tenants, proposals for alternative landlords, and devolvement of control to tenant organizations to qualify for funding. Estates Action involves competitive bidding between local partnerships of the public, private, and voluntary sectors for central government grants. It has been argued that cities benefit from this coalition building process even if they do not receive a central government grant.

Seventh, all housing authorities are required to produce housing plans, which are described in the next section.

Eighth, the regional planning framework varies between Scotland and England. In Scotland, regional authorities are responsible for land supply for a range of uses, including housing. Their particular interest today is in providing for the supply of land for the private sector through the structure planning process. Each regional authority produces a structure plan every four years (except for the Strathclyde Regional Council, which produces one every two years) and includes a section on housing.⁸ Regional planning is done quite differently in England. The metropolitan councils, which were responsible for strategic planning, were abolished in the 1980s by the Thatcher administration because of ideological differences between central government and the large metropolitan authorities. It became necessary to create some type of strategic planning that could be carried out by local authorities. Unitary plans were set in place. They have a strategic (citywide) as well as a local part to them and are broadly comparable to comprehensive or master plans in American cities.

⁸ In 1996 the government plans to scrap Scotland’s 10 Regional Councils and 53 District Councils and replace them with about 30 single-tier authorities. In this proposal, Glasgow would lose two suburbs within its existing boundaries and would actually be smaller than it is now.

Planning departments in Scotland and England operate quite differently. Scottish local authorities have a responsibility to write local (community) plans that should translate the broader objectives of the regional structure plan into more specific local objectives and targets. Thus, cities like Glasgow and Dundee do not have citywide plans. In the case of housing, the local plans identify sites for private market housing.

Evolution of local housing plans

When first introduced in 1977, local housing plans replaced a system in which central government (the Department of the Environment in England and the Scottish Office in Scotland) decided on the merits of individual projects.⁹

Developments in Scotland in the 1970s pushed the field forward. *Local Housing Needs and Strategies: A Case Study of the Dundee Subregion* (Grant et al. 1976) is a high-quality housing plan intended as a model for local governments. A second publication, *Assessing Housing Needs: A Manual of Guidance* (Working Party on Assessment of Housing Needs 1977), demonstrates how authorities could undertake research work and develop their own housing plan.

In England, these plans are called housing investment programmes (HIPs) and are produced annually; in Scotland they are simply called housing plans and are produced every four years (with the exception of Glasgow, which produces plans every two years). The housing plans have a five-year forward perspective. Each plan contains two parts: (1) a description of the local authority's strategy for tackling such problems as poor conditions and housing shortages, and (2) a checklist with tables dealing with housing need, housing stock conditions, and the local authority's capital program. Technically, the housing plan is a bid from the local authority to central government for authority to borrow funds for capital projects.¹⁰

Strong government guidelines are an essential feature of these plans. Both the Department of the Environment and the Scottish

⁹ See Bramley, Leather, and Murie (1980) for an evaluation of the housing investment programmes of the late 1970s.

¹⁰ Scotland has a different method for allocating funds than England has. In Scotland, the allocation to local authority is either for the public sector stock or for the private sector. In England, central government allocates funds to a local authority, which then decides how it is divided up.

Office provide advice on timetables, the form of submissions, policy content, and financial arrangements. A number of areas in these guidelines have been emphasized to reflect key changes in the housing environment (e.g., the right of tenants to buy their units). Therefore, one criterion used in evaluating individual plans is whether they address the priorities of ministers.

When we ask local authorities to prepare housing plans, we tell them [that] ministers are going to pay particular attention to things like homelessness and energy efficiency. We wrote to local authorities earlier this year for the current round of capital programs telling them ministers would give particular attention in making decisions to a list of four or five items. They were things our ministers told us they wanted to stress. That would be a really good indication of the ministers' priorities. (Randall and Harrison 1992)

A second criterion is the quality of the strategies and the effectiveness and efficiency of the local authority.

Information comes from housing plans and also authority's capital programs, which are submitted every year. They actually submit bids each year, which translate the housing plan into detailed proposals. We also take into account authority effectiveness and efficiency. That looks at things like how well authorities are targeting their resources, whether they carried out housing conditions surveys, and whether they use that information to target effectively. Also taken into account are records of overspends and underspends. (Randall and Harrison 1992)

It is important to note, however, that the level of housing need continues to be taken into account in making funding allocations.

With new build, we look at demographic trends. We also look at the need for special-needs housing. We also look at information on stock conditions. (Randall and Harrison 1992)

In the United States, if the city is an entitlement community under the CDBG program (or a participating community under the HOME program), and it has a minimally acceptable plan, it is entitled to the same funding as the previous year as long as HUD's allocation is the same. Britain's process for evaluating local housing plans is quite different.

We don't do that in the sense of saying: Well, this plan is totally inadequate, send it back, do it again. That is not the way it works. We do form an opinion on how good the strategy is and that is taken into account by ministers when they form a decision. There is no benchmark where you say: This plan meets it, this other one doesn't. (Randall and Harrison 1992)

There were high expectations for these housing plans when they were introduced in the 1970s, but in the 1980s a sense of pessimism took hold. Most assessments concluded that the strict guidelines had a debilitating effect on the local planning process. When the Conservative Party took power in 1979, housing funds were slashed¹¹ and plans were used as a tool to control local spending. Cities failing to sell tenants their public stock were penalized.

Chris Watson (1992), University of Birmingham, who participated in the two Scottish studies mentioned above, is critical of the way housing plans have evolved.

The local housing plan has become a bid from the local housing authority to central government for more resources (i.e., for permission to borrow more) for the public housing program. OK, there may be some additional sums of money earmarked for improvements in private sector older housing but the bulk of it has to do with the building, the maintenance, and the repair of public sector housing. That is one of the sad aspects to it. What we thought we were proposing was a really comprehensive approach to all of these matters, but it became something which was public finance driven, Treasury driven if you like.

By the 1980s, some housing professionals were disillusioned about the value of housing plans in general and, consequently, provided the minimum required by law. Today, however, local authorities are no longer judged by their ability to demonstrate need but on the quality of their plans. Cities are competing with one another for limited housing allocations. Therefore, to get reasonable capital allocations, they must convince central government that their plans are suitably prepared.

Recently, there has been a revival of interest in the housing plan, partly because central government is pushing local

¹¹ Public expenditure cutbacks in housing actually began under the Labour Government in 1976.

authorities to assume the enabler role. This role gives legitimacy to housing planning (i.e., how the housing agency analyzes needs and how it evaluates a full range of alternatives, including private sector housing).

No doubt, Britain's system of local housing plans (including strong central government guidance and competitive bids) works against full comprehensive rationality. Local planners do not have the flexibility and autonomy they expected to have when the system was introduced in the 1970s. A Scottish Office official who monitors local housing plans observed that the loss of comprehensive rationality is compensated by the benefits of a quality-driven competitive system.

I am not sure that I agree with the underlying assumption that the ideal system is comprehensive planning, that someone sits down, takes a complete overview, assesses all of the different needs, does cost-benefit analysis and all the rest of it, and sets out priorities. . . . I can see all of the arguments for that. In practice, things don't often work out like that and the best way of getting results is often by encouraging people to come up with different projects. . . . Certainly our ministers in a Conservative government would not be expected to stand behind 100 percent comprehensive rational planning. They are very much aware that human nature is about doing things better for yourself and there is a lot of good in that. That would be their view. That is precisely why they had competitions for particular projects. That [competition] brings forth good projects. . . . I think that they traded off a bit of enterprise with good projects with some loss in strict [rationality in the] addressing of housing need. (Randall and Harrison 1992)

Glen Bramley (formerly at the University of Bristol, now at Herriot-Watt University, Edinburgh) credits local housing plans with stimulating thinking about a variety of housing options, not just one or two as in the past.

In the old days, housing tended to be a mind-set where particular problems implied particular solutions. Unfit houses were demolished and replaced. People on waiting lists: we would build new houses for them. Owner occupiers with housing in disrepair would get a repair grant. There were one-for-one links between these

problems and particular solutions. . . . Now that isn't quite the case anymore. If you have people who cannot get access to owner occupation, there is a range of things that you might do: low cost sales schemes, shared ownership schemes, housing association provision using planning powers, using Housing Association Grants. You might try to do something with the existing stock. You might try to persuade some of your existing tenants to move out to create a vacancy and provide them with a form of discount. (Bramley 1992)

However, as Bramley points out, there is a downside to this emphasis on competition and high-quality plans.

I think that it has encouraged quite a lot of local authorities to do a bit more planning, [do] a bit more policy analysis, do need surveys, [and] think about working with the private sector. That is the positive side of it. [On the other hand] I think that some deprived areas will lose out. It is quite hard to work with the private sector in a rundown urban area. It is quite hard to use the planning powers to get social housing because there is no land value there. It works best in a sort of affluent area that does not have too many problems, with [high] land values suitable for using the regulatory powers. Here the private sector would be interested and the problems would not be overwhelming. (Bramley 1992)

Brown and Carter (1990) note the absence of research on the way housing plans are carried out, including the technical issue of rationality in needs assessments, the political issues of central-local relations, and the quality of interorganizational linkages. Duncan Maclennan (1991, 186) asks, "Does the new competitive order for the provision of social housing introduce real conflicts of interest which will make it impossible for a municipality both to compete effectively and plan honestly?" In other words, some local authorities may resist cooperating with alternative landlords such as Scottish Homes. This sort of competitive stance may call into question whether the city is the only, or the best, strategic planner for the area. This article examines the extent to which cities have been able to prepare strategic plans in this type of competitive environment.

Comparative analysis of housing plans in four best-practice cities

To assess British local housing plans, a link should be established between the plans and different positive outcomes (e.g., the production of affordable housing). Since this was not possible, I will instead evaluate British plans along seven process dimensions: (1) mission, (2) scope, (3) housing analysis, (4) priority setting, (5) consultation, (6) management issues, and (7) neighborhood revitalization. Each of the seven sections begins with a brief discussion of how that aspect of the planning process should be carried out based on the housing planning literature (see Varady and Birdsall 1991). This is followed by a discussion of how well that aspect of the planning process is performed in these four best-practice cities.

Glasgow, Dundee, Birmingham, and York have all produced short, readable planning documents with lengths ranging from 20 pages (York) to 77 pages (Dundee). Statistics are kept to a minimum and included only when necessary. The plans for Birmingham and York contain no tables; all statistics are incorporated into the text. Glasgow's plan is distinctive because it is self-promotional. It is the only one to contain color photographs and is obviously aimed at a wide audience.¹²

Mission

Given the declining financial resources available to meet housing needs in American cities, the U.S. Conference of Mayors (USCM) recommends that local task forces (including the public, private, and nonprofit sectors) prepare such housing plans. According to the USCM, this approach would have three advantages over the traditional approach: increased community awareness of housing needs, collaboration between public and private agencies, and political support for implementing changes. The key point is that the plan should be used not only to provide a means for defining needed action (the traditional role) but also to provide the basis for collaboration and to focus community and political actions throughout the year. In both the British and American contexts, this means that the plans should be more than bids to central government. In fact, the four British plans, especially Glasgow's, were serving far wider purposes.

¹² The city has even produced a shrink-wrapped, folded, six-page summary with photos and charts to ensure that the message is widely disseminated.

Certainly, all four British cities take the bidding function seriously. The housing officials interviewed believed that a city with a poor plan would be rewarded with a lower capital allocation. Consequently, all four cities devote a large effort to preparing the plan while receiving assistance from other agencies, especially their local planning departments. At the beginning of their HIPs, both Birmingham and York emphasize that they are closely following guidance from the Department of the Environment (i.e., central government) and that their plans benefited from suggestions in the Audit Commission's 1992 monograph *Developing Local Authority Housing Strategies*.¹³

Glasgow's sophisticated, well-designed plan reflects its broad mission.

[The plan] is us positioning ourself, it's a learning process, it's an exploring process, it's negotiating with partners, it's a trading device, it's a marketing ploy, it's something to hit people [central government] over the head with. This is a document that has been widely circulated. We give this to builders, influentials in health boards, people in economic development networks. [When we distribute the document we are saying:] this is who we are, this is what we are interested in doing and the types of projects we are involved with. . . . These are the conditions we have, do you want to come and play? (Brooke 1992)

Glasgow's flashier plan is particularly important in improving relations with a number of agencies that the housing department has not had particularly close ties to in the past: (1) the Scottish Enterprise network, economic development agencies, (2) the Strathclyde Regional Council, primarily the Roads and Education Departments, and (3) Scottish Homes (Webster 1992). Because these three agencies also produce glitzy plans, the housing department feels the need to produce one of comparable quality and sophistication.

Robert Towner (1992), York's Director of Housing Services, highlights another function of the housing plan: educating politicians and citizens about options that deal with housing problems.

¹³ The Audit Commission oversees the auditing of local authority finances and promotes "value for money" from municipal spending. The Commission's work has supported Conservative Party claims about waste in local government but has also criticized the arbitrary and complex nature of central government interventions (Stoker 1988).

However if [the bid] is all [the plan] is seen as, [the plan] would be very limiting. The plan also plays a role in highlighting local choices, which is the case regardless of the size of the “cake” available to local government.

Dundee’s plan benefits from taking its bid to the Scottish Office seriously. The city maintains a high-quality forward planning staff who remain heavily involved with the plan throughout the year. Dundee, therefore, stays flexible to respond to new guidelines as they become available (e.g., government programs for heating or a program for home security). As a result, Dundee has done unusually well in obtaining funding from sources such as Scottish Homes. This city’s high-quality housing plan brought in an estimated additional £25 million beyond what it would have received with an average plan.

Scope

The growth of the local housing function in both Britain and America has increased the need to link housing and community development with economic development activities. Cities need to better “coordinate economic development with housing improvement, for a city’s economic future depends on its livability” (Widner 1980, in Nenno 1989, 5). Sternlieb and Listokin (1985) make the same point using different terms: Housing plans should have a broad mission, covering both shelter and post-shelter housing needs. “Shelter” refers to the need for adequate physical housing for low- and moderate-income persons. “Post-shelter” deals with the need of middle- and upper-income people for “housing to serve also as a symbol of prestige and a vehicle for capital accumulation” (p. 385). Most American housing plans deal exclusively with “shelter” issues, but there are some exceptions, such as Hartford’s Housing Component of the Comprehensive Plan and Cincinnati’s Housing Blueprint, that show that it is feasible to address both needs (see Varady and Birdsall 1991).

All four best-practice plans do a good job in discussing shelter needs but do a less than adequate job in addressing post-shelter requirements. Dundee’s plan, for example, highlights a long list of low-income housing issues: the high rate of deterioration in the public housing stock, especially in the peripheral housing estates; the continuing need to repair and upgrade low-income ownership stock in the inner city; the desire of many tenants to become owners; and the unmet needs of special groups, such as the elderly, the disabled, the mentally handicapped and mentally

ill, the homeless, and young single persons. But the plan virtually ignores private market issues.

British planners give so little attention to the middle-income section of the market because of priorities set by politicians. Most housing policy makers and practitioners in Britain would assert that, given scarce resources, their greatest priority should be the poor since they have less opportunity to find their own solutions in the market. Furthermore, the thinking of local authority housing officials is also influenced by their landlord and management responsibilities. Council housing still constitutes a fifth of all stock, and this proportion is much higher in cities like Glasgow. A final reason why market-rate issues receive short shrift is because of the division of responsibility between the housing and the planning departments. Historically, the former have been responsible for managing social housing while the latter have had the responsibility of addressing market-rate housing. Birmingham does a good job of coordinating the activities of the housing and planning departments in its *Unitary Development Plan* (UDP; Birmingham City Council 1991a).¹⁴ The housing section of the UDP contains a detailed discussion of housing problems, markets, and policies at both the city and community levels. (The UDP is discussed in more detail in the section on management issues.)

However, Glasgow illustrates a disjuncture between the efforts of the two departments. Specifically, Glasgow's Housing Plan fails to acknowledge the importance of two major planning department reports on private market housing: *City Planning Aims for the Next Decade* (Glasgow City Council 1991), which looks at the role of housing programs in an effort to promote the economic regeneration of the city, and *A Review of Private Housing*

¹⁴ UDPs are developed in response to guidance from the secretary of state, who issues a commencement order indicating that the authorities can prepare the plan. The process for creating Birmingham's UDP was somewhat unique compared with other large British cities. The districts and the surrounding authorities in the Midlands held a conference in 1987, which produced a report submitted to the secretary of the environment. He used the report to draw up draft and later final guidance. A lot of the key land use issues, including the development of a greenbelt, were agreed to by the local authorities. As a result, the guidance for the metropolitan area provided by the secretary of state was in most respects what the authorities wanted. As of 1992, planners were moving toward similar guidance for the region—which consists of the Birmingham metropolitan area and four "shire" counties. UDPs are expected to comply with planning guidance from the central government. If the recommendations in a planning document are different from planning guidance, then a public inquiry process is necessary. Local governments tend to lose on controversial issues.

Market Activity in Glasgow 1991 (Glasgow City Council 1992b), which argues that the drop in private housing starts in the city contributes to housing-led outmigration (i.e., the inability of middle-income families from the city to find attractive suburban-type detached and semidetached housing).¹⁵

Glasgow's plan is, however, noteworthy because of its emphasis on population stabilization, a subject that colors the entire plan. Glasgow has experienced an overall decline in population (from 774,000 in 1981 to 672,500 in 1991) and increased vacancies in the peripheral housing estates. The plan proposes a continuation of the city's Area Renewal policy, which involves thousands of council flat demolitions, tenure diversification (building private-ownership housing in areas that had been exclusively rental), and improvements in infrastructure, all aimed at making these areas more attractive. However, the plan sidesteps any serious discussion of how to halt middle-class outmigration. Although housing department staff are willing to discuss the problem of middle-class outmigration, they are unwilling to use the terms "middle income" or "middle class" in the plan, because they perceive the terminology as a "put-down" of low-income groups. Hence the plan uses such phrases as "catering for those who have a choice," "attracting people in employment," or people on "above average incomes."¹⁶ It is hard to imagine how Glasgow can begin to develop effective policies to address housing-led middle-class outmigration unless this subject is discussed forthrightly and until the efforts of the housing and planning departments are better coordinated.

Housing analysis

The literature identifies three approaches to measuring housing needs: (1) housing market analysis, which compares future supply with future demand to indicate the amount of construction required; (2) needs assessment, which relies on professional standards typically drawn from the census to measure problems such as overcrowding, substandard housing, and rent burden; and (3) preferences or aspirations of householders, which can be

¹⁵ I found out relatively recently that *A Review of Private Housing Market Activity* was published after the 1992 plan and consequently could not have been acknowledged in the plan. This, however, does not alter my main conclusion that there was inadequate coordination between the planning and housing departments.

¹⁶ Letter from Glasgow Housing Department official choosing to remain anonymous.

obtained directly through surveys or indirectly through client analysis (Reiner, Reimer, and Reiner 1963). Grant et al.'s 1976 housing plan for Dundee, which was supposed to be a model for British local housing plans, is unique in encompassing all three conceptions of need. Seven different analyses were included in the plan: (1) the condition of the older housing stock based on a survey of exterior housing conditions and maintenance; (2) estimates of the number and characteristics of housing units for special populations; (3) estimates of the land available for development; (4) changes in the housing stock, including changes in the incidence of substandard conditions; (5) population and employment projections; (6) housing preferences and aspirations based on a client analysis of waiting lists and transfer records for public housing; and (7) unmet needs for special housing based on a survey of the elderly.

While none of the four plans achieved the analytic comprehensiveness of Dundee's 1976 plan, they did nevertheless display several impressive features. In general, the four plans used a wider variety of data sources (e.g., housing conditions surveys, waiting lists for public housing, lists of people applying as homeless under the Homeless Persons Act, the census) to estimate housing needs than their American counterparts, which rely almost exclusively on census data.¹⁷ All four cities had conducted recent surveys of conditions of the public housing stock and used them in their plans. Both the Scottish Office and the Department of the Environment provide detailed guidance on how these surveys should be carried out. In addition, Birmingham had used the 1988 *West Midlands House Conditions Survey*, which covers the private sector.

The housing plans for Glasgow and Dundee show how valuable waiting lists for housing can be for planning purposes.¹⁸ In Glasgow, the existence of a disproportionately large number of single parents on the waiting lists highlights the residualization of the public housing stock with demand increasingly limited to those without other choices. Dundee's analysis of acceptances and refusals shows how public housing clients are becoming more discerning. For example, 40 percent of all applicants will

¹⁷ Although the Department of the Environment and the Scottish Office provide more detailed guidance on policy matters than HUD does, the British agencies allow more flexibility on data requirements. Local authorities decide what tables to use. As John Randall (1992) from the Scottish Office noted, "most of the authorities have well-qualified staff who can do that type of work."

¹⁸ However, central government officials often discount the significance of this evidence.

consider only “cottage-type” housing, most applicants are very specific about the areas in which they are willing to be housed, and few householders want to live in tower blocks.

Glasgow’s evolving approach to measure the need for sheltered housing is of interest. The 1992 plan used the traditional approach recommended by the Scottish Office, with standards based on fixed percentages of the population.¹⁹ The problem with the standards is that they do not take into account the fact that the frail elderly can be helped in ways other than sheltered housing. A new approach (see Glasgow City Housing 1993), which will be used in future plans, estimates the requirements of individuals for different sheltered forms of care (i.e., services delivered to the home in addition to sheltered housing). The fact that the new technique yields lower estimates of need for sheltered housing than was the case for the 1992 housing plan is important since sheltered housing is quite costly.

All four plans use housing market analysis (HMA) and include projections of the city’s housing requirement, along with estimates of the amount of public land that should be released for private sector development. Only summaries of these computations, prepared by the county or regional planning departments, are included in the housing plan. Little information is provided on the methodology or the type of housing required. In general, there is little connection between HMA and the remainder of the plan. York’s HIP highlights the limited effectiveness of this type of HMA. According to the plan, an additional 3,000 units would be required between 1991 and 2006. Since insufficient land is available within York to accommodate all of these units, some land would have to be found in the suburbs. The plan does not, however, address the problem of how to obtain suburban cooperation, given the resistance of middle-income suburban residents to living close to lower-income households.

Housing officials in Glasgow, Birmingham, and York emphasize the need for practical HMAs that will identify demand-supply mismatches for particular population groups and particular areas.

At present, there is no way to tell local authorities what level of owner demand is sustainable on the peripheral

¹⁹ The housing department used the following standards based on a 1991 Scottish Office circular: (1) very sheltered housing, 20 dwellings per 1,000; (2) sheltered housing, 46 dwellings per 1,000; and (3) medium-dependency housing, 80 dwellings per 1,000.

estates. For example, what would happen if the Housing Department demolished part of Easterhouse [one of Glasgow's peripheral estates] and gave the land to private developers? Would they build there and if so what size and types of homes? What other conditions would be necessary for development? Would the area need a private school? At present it is not possible to obtain answers to these questions and the Scottish Office is not much help. (Milne 1993)

A 1992 best-practice guide prepared for Scottish Homes by the Centre for Housing Research (now the Centre for Housing Research and Urban Studies) at the University of Glasgow demonstrates how to carry out this more practical type of HMA. This report evolved into *Local Housing Market Analysis and Planning in Scottish Homes: A Best Practice Guide* (Scottish Homes n.d.).

Priority setting

Given limited resources, the housing plan should specify which population groups will and which will not be served and should provide the reasons for these choices "ranging from perceived greatest need to obtaining the most complementary benefits for neighborhood stabilization" (USCM 1985, 51).

The task of setting priorities by program area and allocating funds among these categories is a daunting one. For example, if it is estimated that a city has 1,000 households in substandard units, what proportions should be helped through public housing, subsidies to owners, vouchers, programs aimed at transforming renters into owners, and so on? Formulating priorities requires taking into account social science evidence on the types of programs most appropriate for particular population subgroups, judgments on the importance of different policy goals (e.g., choice, the opportunity for homeownership), the preferences of clients, the capacity of the system, and programs that are currently available. The literature offers little guidance as to how to determine these distinctions. In the 1970s, there was a great deal of optimism and enthusiasm for techniques like cost-benefit analysis and program plan budgeting for comparing different program areas. Grant et al.'s 1976 plan for Dundee, reflecting this optimism, uses cost-benefit analysis to determine whether to improve or replace older buildings. Improvement was shown to be preferable to replacement. However, in recent years,

enthusiasm for techniques like cost-benefit analysis has waned because of the difficulty in measuring noneconomic variables.

To develop realistic priorities, localities need to take into account funds that are likely to be available. Varady and Birdsall's 1991 review of American local housing plans showed that they did not do a very good job of recognizing financial constraints. For example, Hartford's planning staff estimated public housing subsidy needs at \$103 million between 1986 and 1990 but did not indicate how these needs would be met. Hoben and Richardson's 1992 study, based on the first year of CHAS submissions, noted weaknesses in priority setting: "In the majority of the sample CHASs, priorities, measurable objectives, and implementation plans were too general to permit careful monitoring and performance assessments" (p. 11). The authors called for more attention to priority setting in future CHAS documents. However, there was no comparable report on 1994 submissions. In its guidance to localities for preparing the new Consolidated Plans, HUD is stressing the importance of explaining why different groups (e.g., low-income renters) are chosen. It is still too early to say how well localities will carry out this responsibility (Scalfani 1995).

As a result of central government guidance, British local housing plans are taking a more realistic stance on financial constraints. Until recently, the nature of the bidding system worked against the setting of priorities. Cities simply estimated the cost of meeting all housing needs (public and private) and translated this cost into an annual allocation. Cities were concerned that they would be penalized for low bids, which acknowledged limited resources, by reduced allocations. For example, Glasgow's plan estimated that it would cost £1.6 billion to meet council housing stock requirements. It, therefore, requested £160 million a year over a 10-year period. Glasgow actually received a £95 million allocation.

England has moved faster than Scotland toward the implementation of realistic bids. The Department of the Environment asked localities to prepare three bids: one based on no change over the previous year, a second based on a 10 percent increase, and a third based on a 10 percent decrease. These realistic bids will probably make cities more serious about priorities, but officials are frustrated by their inability to tackle large unmet needs. In its 1992 HIP, Birmingham advocates a needs-based program costing £200 million a year, which would address the bulk of social housing needs. Carrying out the three requested cheaper bids would, according to city officials, mean that "essential works to [the city's] own housing stock and in the private sector, many

of which seek to address statutory requirements, would not be carried out” (Birmingham City Council 1992, 39). Therefore, Birmingham presents a “constrained” bid of £84 million based on the “plus 10 percent” alternative but refuses to bid based on the other two scenarios. Thus, while the realistic bids represent an improvement over the past, the constraints facing housing departments will limit the value of the new approach.

British housing planners face a serious dilemma: They are expected to prepare high-quality plans, but funding is static. Consequently, there is a tendency to make changes along the margins rather than to take a fresh look at priorities each year.

Although you are on an annual allocation system, the reality is that programs that work require a serious capital investment. These are the ones that you get heavily involved in and they roll on. So, in any year, most of what you plan to do the next year is largely committed by the programs you started implementing in the past. (Bramley 1992)

Comprehensive rationality in priority setting is further limited by government policies and allocations as well as by statutory obligations (e.g., meeting the needs of the homeless and providing grants for repairs for private stock housing), which leaves few resources for other needs.²⁰

Each one of the four plans contains an impressive discussion of policies and plans the local authority intends to implement, as well as some discussion of the priorities of each plan. Glasgow’s, for example, emphasizes area renewal on peripheral housing estates. Missing from all the plans, however, is an indication of *how* the priorities reflected in the plan were developed.

Cost-benefit analysis (now called “option appraisal” in Britain) has not achieved the expectations promised in the 1976 Dundee study. Typically, it is used only for individual improvement grants on particular sites (e.g., demolition versus rehabilitation). Even at this level, option appraisal is typically only a theoretical exercise because housing officials have limited choices.

Unless you have a lot of evidence of deterioration in a group of buildings, you are led in the direction of

²⁰ For example, even if a local authority wanted to expand its supply of council housing significantly, it would be deterred by the right-to-buy policy and low government allocations for the public stock.

improvement regardless of what the statistics show. Now there are major restrictions on demolitions making option appraisal analysis of limited value. (Towner 1992)

In the past, politics has played a significant role in the establishment of priorities among policies and programs. For example, in the 1970s, Glasgow developed a system for measuring housing need based on poverty and deprivation, which benefited the city's peripheral housing estates. The system reflected the Labour Party's desire to win back voters, including those living in council housing, who had deserted to the Scottish National Party. This politicizing approach can no longer be sustained because the demand for these estates is negligible.²¹ In its new system, the housing department sets priorities based on housing conditions in different parts of the city.²² Housing officials believe this more realistic approach for setting priorities will result in a shift in funding from the peripheral estates (where central government agencies such as Scottish Homes and the Glasgow Development Agency are expected to play a key role) to other sections of the city. The new system has been well received by the Scottish Office, but the question remains whether local politicians, some of whom would see their constituencies lose funding, would accept the changes in allocations based on the new process.

Consultation

With the declining amount of resources available from the federal government to address housing needs, it is increasingly

²¹ This story implies that there are significant differences between British and American local governments in terms of style of politics and management regarding housing issues. That is, it is likely that British local authorities are more dominated by party-based politics and that the parties are themselves more ideologically based.

²² In its new system, the housing department has earmarked four blocks of funds for specific things: (1) special needs housing, (2) area renewal for the peripheral estates, (3) a standard funding block (to upgrade housing the housing department knows it will retain), and (4) a citywide block for miscellaneous things like asbestos removal and energy efficiency programs. Each of the housing department's 16 district offices adds up the need per block, and the central office adds up the total need for the city broken down by block. From this process, the city might request that 60 percent of the borrowing financing go for the standard block. A pro rata share would be allocated to district offices.

important that the private and nonprofit sectors be involved in the preparation of these plans. According to the USCM (1985), the involvement of these two other sectors increases community awareness of housing needs and stimulates collaboration between public and private agencies and between public and political support for implementing changes. The importance of citizen participation in the planning process, regardless of the functional area, is now widely accepted. Call's 1977 case study of Spokane, Washington, shows how citizen participation can be used to provide information on housing needs as part of the planning process. Goetz and Geiger (1995) show that the CHASs' greater requirements for citizen participation compared with those of the HAPs did lead to heightened awareness of the housing planning process and local and federal housing policy. It also led to more assistance to low-income renters.

In general, Britain seems to be behind the United States in citizen participation activities. None of the four cities use town meetings or other forms of mass consultation with citizens to prepare their housing plan. Officials in Glasgow and Birmingham cited a lack of time for involving citizens. York's housing director cited the difficulty of obtaining useful input at the citywide level because tenants had difficulty understanding abstract housing issues.

When you are asking whether there should be one scheme or two schemes or whether 15 percent or 25 percent of the housing allocation should go to a particular program, this is difficult, in terms of getting useful participation. The experience of the Housing Department is that where residents are directly involved in a housing issue in their daily lives their contribution is much more obvious and useful. Otherwise on the more abstract issues, the city should rely on the democratic process [i.e., politicians], while welcoming participation where it is relevant. (Towner 1992)

However, forms of citizen participation other than mass consultation are used. First, Glasgow and Birmingham have prepared popularized 3- to 6-page summaries of the plan, which are discussed with residents in a variety of settings. Second, Glasgow and Dundee have a system of district housing plans based on close involvement of residents. Third, York conducts tenant consultations with each of the city's 17 tenant associations, and together, through the federation of associations. Finally, all four cities use market research to solicit residents' views.

Glasgow and Birmingham represent two ends of the spectrum in terms of involving home builders. The Scottish Building Employers' Federation (SBEF, the main organization of builders) has not been involved in the preparation of Glasgow's plan because it does not deal enough with the release of land for private housing, which is the key concern of the SBEF (Hopkins 1992). In contrast, Birmingham, in preparing its HIP, consults with both the home builders association and the housing association movement (Birmingham Housing Association Liaison Committee). In fact, the latter prepares a statement for the city, which is incorporated into the HIP.

Management issues

Nenno (1989) highlights three key administrative issues that should be addressed in local housing plans. First, the housing strategy should be linked to the city's long-range comprehensive plan as well as its short-range development plan. Second, the plan should recognize the expanded role of nonprofit housing organizations, keeping in mind that these nonprofits vary in their administrative capacity to implement needed projects. Third, increased housing and community development activity may indicate the need for a new agency or the reconfiguration of existing ones. American local housing plans have devoted limited attention to such administrative issues. The King County (Washington State) 1987 *Affordable Housing Policy Plan* highlights the continuing importance of the comprehensive plan by recommending affordable housing goals for the different community plans in the county. Dallas's Housing Task Force pointed out several major weaknesses in the management of city housing programs and recommended a reorganization of the city's Department of Housing and Neighborhood Services. There has been no systematic research into whether the CHASs examined administrative capacity.

In general, the four best-practice British plans devote more attention to administrative issues like coordination and management performance than the American ones above. Of the four plans, Glasgow's devotes the most attention to coordination. The plan emphasizes a key dilemma: Although the city is expected to solve low-income housing problems, much of the funding comes through other agencies (two-fifths through Scottish Homes). This reality led to the development of the Joint Framework for Investment, which lays out principles of partnership between the city and Scottish Homes (e.g., full and effective consultation between the two agencies on national housing policy issues that affect

Glasgow). However, Glasgow officials recognize that because there are key differences in the goals pursued by the two sides, informal methods of consultation can go only so far. Therefore, the plan advocates that central government change some of the objectives pursued by Scottish Homes, modifying what the city sees as an overemphasis on owner-occupation and on moving people out of council housing.

Despite the plan's stated emphasis on coordination, Glasgow's housing efforts suffer from the lack of linkage between the housing and planning departments. That is, the plan does not indicate the extent to which it is compatible with the local plans of the planning department.²³

Dundee's Housing Plan also demonstrates a lack of coordination between the planning and housing departments. There is no indication of how the housing plan is linked to the city's local plans, nor is there any recognition of work being done by both the planning department and the economic development department to spur private market housing as part of an effort to promote economic regeneration for the city as a whole. On the other hand, Dundee's Housing Plan does indicate a willingness on the part of the housing department to admit administrative shortcomings. For example, the Homeless Service came under some criticism in the customer survey, and in response, the Council identified areas in which the service could be improved (e.g., by creating a network of temporary furnished accommodations in a wide range of areas in the city).

Birmingham's HIP demonstrates strong concern for management performance in council housing stock. In an appendix to the HIP, a number of indicators of improved performance are presented: (1) a drop in the vacancy rate and a reduction in the vacancy period, and (2) a strong performance in collecting rents owed (94 percent, higher than the target of 90 percent).

As mentioned earlier, Birmingham's HIP shows a strong working relationship between the housing and planning departments. In fact, housing planning in Birmingham can only be understood in the context of two plans, the HIP and the planning department's *Unitary Development Plan* (Birmingham City Council 1991a). Housing is one element of the UDP; the document contains a detailed discussion of housing problems, housing markets, and

²³ Unlike cities in England, Scottish cities do not have citywide comprehensive plans. Instead they have a large number of community plans that locate proposed public improvements and housing projects.

housing policies at both the city and community levels. The UDP is a planning framework for the development of the city over the next 10 to 15 years. Staff from the planning and housing departments devote considerable time to making sure that one plan dovetails with the other.

Recent policy guidance from the Department of the Environment highlights the growing role of the UDP and the private sector in addressing this need. Government guidance recommends that the planning department set a target for the provision of affordable housing throughout the city based on evidence of need and also set targets for specific sites based on evidence of need and site suitability. Thus, the planning department is expected to negotiate with developers for the inclusion of a percentage of affordable housing in such schemes, both on sites allocated for housing and on other sites (Birmingham City Council 1992). These guidelines were issued too late to be part of the 1991 UDP, but it is anticipated that such targets will be included in the future review of the UDP.

Of the four plans, York's HIP best demonstrates the local authority's effectiveness as a manager and an enabler. Each year, York officials, working with an opinion research firm, hold in-person interviews with a 10 percent sample of council tenants. The results present an impressive record of improvement in tenant satisfaction. In 1965, two-thirds of all tenants were satisfied with the physical condition of homes in the city, but by 1991, satisfaction levels had risen to 90 percent. However, customer surveys are not the only evidence of management quality. Performance reports (mentioned in the HIP; York City Council n.d.) highlight York's success in reletting vacant apartments. York performs better than established national targets and achieves average turnaround within two to three weeks.

York highlights its effectiveness as an enabler by giving local authority land gratis to housing associations, thereby stretching Housing Association Grants made available from central government. This magnanimity is not without certain expectations. As a quid pro quo, York requires housing associations to provide the city with 100 percent of the nominations (the normal arrangement is 50 percent), which allows the city to target those in greatest need.²⁴ In another section, the HIP endorses central government's policy of encouraging the provision of affordable housing by private developers on land sites in the city and

²⁴ Housing authority-housing association relationships are discussed in detail in Fraser's 1991 volume.

describes how the effort is being realized in the city's historic medieval core, through the use of empty accommodations above shops.²⁵

Neighborhood revitalization

For a local housing strategy to be effective, it must be based on an adequate understanding of urban neighborhood dynamics and of when and how to intervene in a housing market to achieve strategic objectives. Unfortunately, the guidebooks available to American planners are of limited utility in developing a neighborhood housing strategy. For example, the 1980 guidebook of the National Community Development Association understates the tensions and contradictions among the goals a local plan attempts to promote (e.g., neighborhood stabilization, reductions in discrimination, effectively mixed low-, middle-, and upper-income housing, and economic development). American local housing plans have handled neighborhood issues differently. The Urban Institute's Detroit study (Rasmussen and Struyk 1981) identified communities that were beginning to experience decline and targeted them for revitalization, which is an example of the triage approach. In contrast, the Enterprise Foundation's 1986 Chattanooga Plan did not dismiss even the worst neighborhoods. Hartford's 1986 comprehensive plan focused on low-income housing dispersal and fair-housing issues (City of Hartford 1986). Cincinnati's Housing Blueprint largely ignored geography because the location of low-income housing is so politically sensitive (Varady and Birdsall 1991). Those involved in the preparation of a land use plan for the East End of Cincinnati, a low-income community near the central business district, completely ignored the Housing Blueprint highlighting the absence of a citywide revitalization strategy (Varady and Raffel 1995).

The four British plans vary in how well they handled geographic issues. Birmingham's discussion of neighborhood revitalization is the most thorough.²⁶ The HIP briefly describes the different area initiatives, many of which are funded by competitive grant programs run by the central government (e.g., City Challenge,

²⁵ Implementation of this strategy may be difficult, according to planning officials. Exhortation and negotiation are the only mechanisms that the planning department has to achieve these goals when it allocates land for new housing. As a planning official noted, "when you are sitting across from developers, admonishment does not get you very far" (Cullen 1992).

²⁶ The neighborhood emphasis is much more evident in Birmingham's 1991 HIP (Birmingham City Council 1991b) than it is in the 1992 version.

Estate Action) and also discusses the policies underlying these initiatives (public-private partnerships, coordination among city agencies, consultation with community residents, and “planning in the round,” that is, looking at the relationship between housing, transportation, shopping, etc.).

Birmingham has embraced the role of grant writer in seeking competitive grants for a variety of neighborhood initiatives. Robert Blackaby, director of research in the housing department (1992), describes Birmingham’s policy regarding these grants.

[Birmingham’s] HIP sets out a policy of maximizing resources and going after government initiatives. City Challenge is an example. Some cities reject going after the grants. Although we are [of] a different political complexion than the central government, Birmingham’s policy is to go after whatever money we can.

One possible danger of participating in such grant competitions is that cities may lose control of these initiatives to central government officials. That is, the objectives for a particular revitalization initiative may reflect the criteria listed in a grant competition and may differ from what local politicians want to do. This concern has not been borne out by Birmingham’s Heartlands project, an effort to bring jobs and better housing to a deteriorating area to the east of the city center. The Heartlands project is being carried out by a development corporation like the one in London’s Docklands. A development corporation has greater power than a city agency and can take advantage of special central government grants. Birmingham has not experienced the same administrative and political problems that London’s Docklands has because the board running the Heartlands project was established to maintain the city’s initiative.²⁷ The fact that these initiatives are under city control leads to a high degree of congruity between neighborhood initiatives and policies laid out in the HIP.

Birmingham’s treatment of geography can be contrasted with Glasgow’s, which does not discuss neighborhood initiatives in as much detail. Furthermore, many of Glasgow’s key neighborhood initiatives are accountable not to the city but rather to central government agencies in Edinburgh, which leads to incongruence

²⁷ For example, the city’s planning department has the contract to work in the Heartlands. The relations between the city council and the Heartlands Board are more intertwined than in earlier projects. (For a more detailed discussion of the Heartlands initiatives, see Wood 1993.)

between the projects and citywide housing policy. The 1991 Housing Plan does not discuss these weak linkages.

For example, the director of Crown Street Regeneration, a flagship project of the Glasgow Development Agency (GDA) that is being built on a slum clearance site in the Gorbals area in the inner city, concedes that the project is inconsistent with the city's policies and makes no attempt to follow the plan (Galloway 1992).²⁸ One example of this dissonance is a dispute between the planning department and the GDA concerning housing type. The planning department wanted to build low-rise, family-type housing. The GDA held a competition and decided on a traditional tenement solution, one that echoes the original 19th-century row houses (see Glasgow Development Agency n.d.). While the GDA's vision was eventually adopted, planning department staff doubt whether such housing will attract families with children. Furthermore, Crown Street Regeneration may very well be undercutting the city's Area Renewal Policy mentioned above. Castlemilk,²⁹ one of five areas where the housing department in conjunction with its partner agencies is demolishing thousands of units (thereby providing the basis for tenure diversification), is in direct competition with Crown Street for potential residents. At the very least, these conflicts should have been discussed in the housing plan.

In general, the Dundee Housing Plan is not a geographically oriented document, though the main exception to this generalization is the plan's detailed discussion of the Whitfield Partnership, a regeneration effort in one of Dundee's peripheral housing estates funded by the central government. The District Council has had a number of concerns about the initiative. Would it be resident-led or government-led? Would the partnership draw funds from other areas? Would the Scottish Office require that the District Council's borrowing for projects be concentrated on Whitfield? Would the Partnership acknowledge the District Council's role in the effort? It is still too early to answer these questions. There is, however, a growing consensus that the

²⁸ Scottish Enterprise, headquartered in Edinburgh, manages a network of local enterprise companies that are involved in local economic development, training, and environmental improvements. Thus, despite its name, GDA is in effect a central government agency.

²⁹ In 1988, the secretary of state for Scotland released the publication *New Life for Urban Scotland*, which set up four major initiatives for peripheral council housing estates, the largest of which is the Castlemilk Partnership (over 20,000 residents and approximately 10,000 houses) (see Scottish Office 1988, 1990).

initiative has achieved physical improvements in Whitfield's housing and the environment (Munro 1992). Prospects for economic and social regeneration are still uncertain.

As is the case with Glasgow and Dundee, York's HIP does not have a strong neighborhood focus.³⁰ The success story in York's housing effort is Aldwark. Although it was implemented mostly through the planning department, it should have been highlighted in the HIP, and an update of the project should have been provided. The Aldwark project grew out of Lord Esher's Report, which identified a few cities, including York, for physical regeneration (*Esher's York* 1969). The Esher Report to the central government focuses on how to bring people back to these cities. York is a paradigm for establishing conservation areas within cities.

Aldwark (an area within sight of York's historic Minster) had experienced decline due to the destruction of 19th-century backyard industries and planning blight (e.g., uncertainties resulting from a proposal to widen medieval streets). The regeneration project involves family homes as well as apartments, both built by the private sector in a manner consistent with the historic character of the area. The city particularly wished to encourage middle-income people to move back into the city's historic center.

The HIP should have included an update on the Aldwark, highlighting the necessity for a close connection between the housing and planning departments to carry out the city's broader housing strategy.³¹ A discussion of this unique housing project would make the plan more readable and widen the audience to include planners, designers, and developers in Europe, the United States, and elsewhere.

³⁰ Two area initiatives in the HIP are not fleshed out sufficiently to explain just what the city is trying to do in these areas. One involves a proposal to target renovation grants to areas with high concentrations of elderly persons. No map is included to indicate what this targeting would mean spatially. The second involves the city's planned investment in an Estate Action project. The description of this initiative is so short and sketchy that the reader has no sense of what problems exist on this estate (presumably they go beyond the need for physical improvement) and what the council is doing to address these issues.

³¹ If a project similar to Aldwark were carried out in the future, city leaders would probably insist that it have a much larger social housing component. In other words, the housing department would have a key enabling role in such a project. Such a discussion—what the city learned from Aldwark—would seem highly appropriate in a future HIP.

Postscript

Since the completion of my sabbatical research in 1992, housing officials and planners have initiated a number of changes to address weaknesses that I first observed in the system. First, the Scottish Office, following the lead of the Department of the Environment, has introduced more realistic bids. Specifically, 1993 guidance recommended that “the selection of priority issues should reflect . . . a realistic view of resource availability” (Bannister 1993).³²

Second, the Scottish Office indicated through a guidance document (Scottish Office, Environment Department 1993) how option appraisal could be used at both the strategic and the project levels. That is, once an authority has determined what its aims and objectives are, it would then carry out a six-stage option appraisal on how to meet these goals: (1) definition of basic aims, (2) identification of housing objectives, (3) identification and assessment of alternative strategies, (4) selection of strategy and definition of strategic investment priorities, (5) implementation and project identification, and (6) option appraisal at the project level. Local authorities attempting to follow the guidance should find useful an extremely well written three-volume report prepared by Pidea Planning (1993), which provides examples and case studies that should convince housing department staff in localities throughout Scotland (and American officials if given the chance) that strategic priority setting, while difficult, is doable.

Third, the Scottish Office has established a systematic process for local authorities to obtain feedback on their plans. Specifically, it initiated a system of formal meetings at least once every two years with all local authorities.

Under the previous system [the one in operation in 1992], we considered both how effective local authorities' strategies appeared on paper and drew on any anecdotal evidence available as to the actual implementation of the strategies based on our own visits to, and meetings with, individual authorities together with reports of similar contacts from colleagues in other

³² My interviews suggested that the process of developing realistic bids began a couple of years earlier. This change in mind-set is perhaps most evident in the case of Glasgow's bids for Housing Revenue Account funds. In 1991 it bid for £150 million and got £90 million. In 1992 it bid for £100 million and got the same £90 million. Thus it appears that even before 1993 local authorities accepted the notion that realistic bids would not hurt them.

relevant branches and divisions. Clearly such information was available only on an ad-hoc basis because, as you know, we did not have regular meeting with authorities. . . . In future we will hold formal meetings with all authorities at least once every 2 years. One of the main points for discussion at those meetings will be the strategies which local authorities are now required to provide and their progress against the output targets which they have set to achieve those strategies. (Bannister 1993)

Fourth, the Scottish Office has proposed ways to achieve closer integration between housing and planning strategies.

Under the previous system it was clear that a number of authorities prepared their Housing Plans in isolation from the activities of other Departments within the Council which impact on housing provision, such as planning. . . . In the future our examination of the new housing plans will include a comparison with the local plans for the district to ensure compatibility. We already examine newly submitted local plans to ensure that they are consistent with, and make reference to, housing plans. Cases of inconsistency will be explored with the authority concerned. (Bannister 1993)

Finally, Glasgow's inattention to geography was rectified in the 1994 Housing Plan (Glasgow City Council 1994), which devotes considerable time and high priority to the Glasgow Regeneration Alliance, a union of four organizations: Glasgow City Council, Strathclyde Regional Council, Glasgow Development Agency, and Scottish Homes. The alliance seeks to revitalize eight disadvantaged areas, five of which are peripheral housing estates (Greater Easterhouse, Castlemilk, Greater Pollak, Drumchapel, and Glasgow North) and three of which are inner-city communities (the East End, Gorbals, and Govan). The alliance was launched in a set of vision statements for the eight areas contained in an attractive document, *Glasgow Regeneration Alliance, Shaping the Future* (Glasgow City Council et al. 1993), issued separately from the plan. The four agencies set a target of 1994 for final agreements in such areas as industrial land and property and housing redevelopment and tenure change.

Conclusions and policy implications

When Britain initiated its local housing plan system in the late 1970s, there was a great deal of optimism among local officials

and housing experts. They felt that the system would promote greater flexibility and more creative thinking than the previous projects-based system. Disillusionment set in during the early 1980s when housing funds were slashed and strict government guidelines introduced. There were fears that the plans would simply become bids to central government and be used to control local authorities.

My research based on four best-practice plans indicates that these fears were exaggerated. Britain's local housing planning system works well. Britain has made a successful shift from a needs-driven planning system to one that takes quality into account in the strategy. In an atmosphere of limited public resources, this means existing funds will be better used.

[Local housing plans were] used to hit the government over the head with. [They say:] We need ten times more resources than are made available. . . . [Now, they are more likely to] address the nitty-gritty of prioritizing realistically based on a realistic view of resources.
(Randall and Harrison 1992)

The competitive bidding system, which allows the quality of the plan to be included as a factor in making allocations, fosters innovative thinking about housing options, encourages local authorities to decide how they will carry out their enabling role (including how they will work with developers to provide affordable housing), and promotes a concern for management performance. Furthermore, the local housing planning system identifies and corrects weaknesses. These are no small achievements.

Our analysis suggests five lessons for American housing planning systems. First, in America, as in Britain, these plans could serve multiple purposes beyond their current role as requests for funding to the central government. In Britain they are used for marketing, for communicating with partner agencies, for lobbying central government, for eliciting citizen participation, and for exploring alternative strategies. There is no reason why they cannot serve the same purposes in the United States.

Second, the British plans demonstrate an overly narrow focus on low-income housing issues, which are largely irrelevant to some of the most important urban issues such as the decline in the economic base. The lesson for American cities is that the plans ought to address market-rate housing issues (e.g., the absence of adequate "move-up" housing), as well as the needs of low-income groups such as the homeless.

Third, following these British examples, American housing plans should use a wider variety of data sources (e.g., waiting lists and physical condition surveys) as well as the census. Furthermore, improvements in housing market analysis should make them practical to carry out and useful for dealing with specific areas and population subgroups.

Fourth, the stress given to implementation and strategy in British local housing plans from York's system of tenant surveys to measure customer satisfaction to Glasgow's plan for coordination with Scottish Homes to Birmingham's diverse but yet city-controlled revitalization strategies deserves emulation. The recommendations of the Scottish Office to better link citywide housing plans with community land use plans should be brought to the attention of American municipal officials.

Finally, aspects of Britain's competitive bidding system ought to be considered for implementation in the United States. At present, HUD regional officers review the individual Consolidated Plans to decide if they are minimally acceptable. There is little incentive built into the American system for cities to produce better plans (e.g., with realistic performance indicators). Britain's success with its competitive bidding system implies that adding more competition to America's system would produce higher-quality Consolidated Plans.

HUD officials are aware of the advantages of a competitive system but are unlikely to move in the direction of competitive plans that are similar to local housing plans in Britain.

If HUD got into that [approach], plans would have to be rated and ranked. HUD would have to be very specific as to why some plans were rated higher than others. Operationally it is not feasible. This [type of ranking system] would avoid lawsuits. We would have to justify why say Camden gets it and Kansas City does not. We would have to indicate why one does and the other does not.³³

The above statement raises the question: Why is the system of local plan review working in Britain but viewed as impractical in the United States? The main reason, I suspect, is that Britain

³³ Interview with a HUD official who preferred to remain anonymous. The need to obtain political support for housing programs by widening benefits to many districts and states and by ensuring larger allocations to localities with pressing needs by formula measures also drives program design from competitive approaches.

has a long tradition of respect for government civil servants (some of the brightest college graduates are attracted to public service), and this respect leads citizens and local politicians to trust their judgment (see Foley 1973). In contrast, U.S. federal government workers do not have the status nor do officials receive the same esteem that their British counterparts do.³⁴ Thus, there is less need in Britain to develop the type of rankings and objective standards mentioned in the above quote.

This discussion is relevant to current proposals under consideration for reinventing HUD (HUD 1994, 1995). The reinvention plan's success appears to hinge on the ability to measure and monitor performance. However, the United States is unlikely to move in the direction of competitive allocations (Walker 1995).

HUD is being pushed in two directions. One part of HUD (Community Planning and Development) wants more controls and strategic planning. This division of HUD developed the Consolidated Plan. Other divisions of HUD are moving in a different direction. FHA insurance and public housing are being privatized. Sixty major HUD programs are being merged into three performance-based funds—a Community Opportunity Fund, an Affordable Housing Fund, and a Housing Certificate Fund—each of which will be formula-driven.

These recommendations are severing the nexus between funding and planning. Since so much of the funding will be formula-driven, it is unlikely that the quality of the plan will be important in determining allocations. Thus, I am pessimistic about the prospects for harnessing the competitive spirit within the planning process, as is the case in Britain, to improve the delivery of housing programs.

³⁴ Most HUD officials are skilled and hardworking. It is a shame that their work is undervalued by the general public. My conclusion on the high caliber of British central government housing officials is based primarily on my Scottish research—the conclusions may not be generalizable to Department of the Environment regional office staff in England. HUD is taking a number of steps to improve the quality of local plans, including the development of guidelines for assessing local housing needs (Bogdon, Silver, and Turner 1993) and the establishment of a new office to guide localities in conducting their own strategic planning exercises. In addition, HUD is considering an awards program that will recognize and reward examples of excellent strategic local and regional planning (Stegman 1993). Despite these three changes, plan review is likely to continue to be more procedural than substantive.

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