

# Leeds: an affordable, viable, sustainable, democratic city?

In the second of two articles on central Leeds, the authors argue that whilst the cityscape is likely to become dotted with skyscrapers indicative of assumed growth and prosperity, affordable housing is in drastically short supply and threatening economic growth, the environmental sustainability of current trends is questionable and democratic control is under threat.



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In the last issue of *The Regional Review*, we set out the main contours of Leeds' ongoing multi-billion pound regeneration programme, focusing on the emerging skyscraper city centre and the major regeneration schemes within the wider city limits.

We argued that these schemes have serious implications for the city's

sustainability, viability and democratic control that threaten to undermine the potential economic prizes that regeneration could bring of employment growth, wealth creation, community sustainability and falling poverty.

In this issue, we want to reflect critically on what we see as the main dangers of Leeds' urban direction under four inter-related themes: social inclusion and narrowing the gap; economic viability; environmental sustainability; and local democracy. We end by placing Leeds in a much broader context and ask whether the city is up to the challenges of the future such as safeguarding democracy, the environment and livelihoods.

## Social inclusion and narrowing the gap

One of Leeds City Council's main priorities is to 'narrow the gap' between the most disadvantaged communities and the rest of Leeds. A key driver of social inequality is the city's gap in affordable housing, which is one of the worst in the country.

Only four of the 102 postcode sectors (3.9 per cent) have house prices affordable to those on below average single incomes. More than 31,000 people have been forced onto the housing register waiting for an affordable rented home. As house prices rise, those left off the housing ladder are unable to buy a home, are getting left behind, becoming relatively poorer and less able to move. Compounding the problem, they cannot access low cost public housing because this has become a last-resort residual tenure for the most needy; yet they cannot buy their own home because they cannot afford the huge mortgages which are now, on average, six times that of average incomes.

Much of the blame for this situation lies with central government's privatisation programme over the past 25 years that, locally, has seen around 40,000 of Leeds' most affordable homes — those owned and managed by the Council — sold off mainly under the 'right to buy' programme. This constant erosion of low-cost housing supply conflicts with an unchanged percentage of households renting housing in Leeds over the same period. The shrinking supply has contributed to rising house prices. Current predictions suggest that the 'right to buy'

rate will lead to a further reduction of 10,000 council homes by 2016 (Leeds City Council, 2006). Leeds needs to build 1,930 new homes a year by 2016, 98 per cent of which would have to be affordable homes if it is to meet its own annual target.

Far from addressing the lack of affordable housing in the city, however, the Council's regeneration programmes will mean a net loss of affordable properties. It is determined to demolish anything between 5,000 and 10,000 council homes over the next ten years as part of its major regeneration programme in East and South East Leeds (EASEL), Little London and Holbeck/Beeston Hill. In their place large sites are being cleared for developers to build housing for market sale.

The Council responds that these schemes will include 15-25 per cent of affordable housing through a variety of schemes and tenures (affordability usually being defined as 75 per cent of market levels). But Leeds City Council's own record on forcing developers to meet its own affordable housing requirements is abysmal. In recent years, Leeds has seen an average of 3,288 new homes built each year, yet the average number of affordable homes per year has been just 240 (or 12.4 per cent of what Leeds actually needs. Moreover, there is a wealth of evidence to suggest that even this is often beyond the reach of low income households. This raises the moral issue of why people should be forced out of their low cost social rented home and forced into long-term debt to buy an expensive one? With Leeds as the main economic driver of the city region, what will be the regional effect of losing 15 to 20,000 social rented homes in the next decade?

A city centre with increasing numbers of exclusive residential skyscrapers actively contributes to this affordability shortfall and serves to widen the affordability gap. Much of the recent housing development in Leeds has concentrated on over-priced city centre apartments, a trend set to continue. Building high value flats for the investor-led buy-to-let (and increasingly buy-to-sit) market further deepens the affordability crisis and means little or no family housing is built. (However, there are signs that such speculative growth is slowing down). Developers eager to avoid their affordable housing contribution have either out-negotiated the Council's Planning Department, or have readily paid commuted sums to the Council to build the cheaper homes 'somewhere else'.

The wider context for these changes is the process known as gentrification — whereby lower order activities and poorer groups are displaced to make way for higher order ones. This economic model of regeneration has a number of effects. First, land values are encouraged to rise through speculative activity which encourages increased, and national-international controlled, private sector investment. Second, in such a buoyant environment, rents are constantly reviewed upwards, creating further entry barriers to local entrepreneurs and local employment generation, focusing instead on non local, big brand, corporate activity. Third, house price increases force the poorer out of their own communities, and can displace them to cheaper

parts of the city region. Fourth, the City Council is pushed into selling lucrative publicly-owned city centre sites, undermining democratic control of the central area. In sum, it is our view that it is simply impossible for Leeds to 'narrow the gap' as the city centre continues to become the exclusive playground for tourists, students, the wealthy and the professional business class.

### Economic viability

Linked to the question of regeneration and affordable housing shortages is the economic viability and sustainability of 'renaissance Leeds'. Research shows that Leeds' future job growth will go along two separate roads: the low road with poverty pay, short-term, part-time jobs in the service, retail, leisure and catering sectors; and the high road with top salaries for high skilled jobs in the so-called 'knowledge' economy and financial/legal services. Workers on the low road are actually the backbone of the Leeds economy — without them, the higher value jobs cannot function. The lack of affordable housing across the city and particularly in the more desirable green leafed suburban neighbourhoods threatens economic growth across the whole of the city. What we are seeing is the 'Brazilianisation' of the housing market, with key workers (increasingly migrants) commuting large distances from outlying towns such as Huddersfield and Dewsbury just to service, clean and run the essential components of Leeds' booming city centre economy.

There are similar concerns about the long-term viability of the city centre residential market. Evidence suggests that the planned major expansion in city living apartments is riding more on the crest of a speculative boom than an effective long-term demand because "*most people do not want to live in flats of any kind: the most popular English house types are detached houses, semis and bungalows*" (Nathan and Unsworth, 2006: p. 5). So, although there is high demand from young professionals, they do not intend to stay long (Unsworth, 2005). Furthermore, the housing developments underway are still poorly served by basic amenities such as schools and GP surgeries, and huge conflicts relating to noise and pollution between residential and leisure uses still remain unresolved.

Although it is difficult to get an exact picture, selected evidence suggests that many of the city's new apartments lie empty and never used, and property agents admit that the market has already reached a glut in supply with difficulties in letting. With at least 111,800 additional units potentially coming on stream in the coming years, where the demand will come from remains a vexing issue. This is extremely worrying given how important residential development and property is to the city's economy. More worrying still, regeneration-led growth largely predicated on a city centre property speculation boom that might eventually burst, and which is predicted on external capital, poses considerable economic blowback effects to the rest of the city and its region. In the longer term, if regeneration projects fail, how much will taxpayers be asked to contribute to unforeseen costs and, if Leeds' growth continues to suck in human, finance and investment capital away from other regional centres, what will the effect be for communities and businesses there?

What is most worrying about the 'renaissance' of Leeds, however, is the implications of how it is being financed. The city's new and refurbished schools and council housing, its street lighting, waste management system and highways are, or soon will be, delivered using the Private Finance Initiative (PFI). This 'hire-purchase' scheme is a tax on future generations with a rather nasty side-effect for those of us in the present. The Council has lumped the taxpayer with contractual obligations of billions of pounds to private sector consortia of banks, developers and contractors over 20 to 30 years.

These consortia finance the various schemes up front, and are then paid back with a healthy profit from public money over

the contract period. The controversies and problems of PFI have been well-documented over the years, including years of delays, hidden costs that take projects consistently over budget, the poor quality of work due to a 'race to the bottom' sub-contracting chain and the impact on workers' rights, pay and conditions at work. Yet the fundamental problem with PFI is that it is a far more expensive and risky way of providing and paying for public services and buildings than if it is done via public borrowing (which is currently restricted). The escalating costs of PFI contracts could force the Council to cut council budgets or demolish more schools, council homes and other public assets in order to sell off public land to service their debts.

### Environmental sustainability and future-proofing

Although issues of climate change and sustainability make international headlines daily, they scarcely register in the regeneration activities of Leeds. Peak oil scenarios which suggest that currently abundantly cheap resources of oil and gas will simply not exist within 20 years need to be headed extremely seriously. What will Leeds look like without cheap available energy for transport, heating, business?

There are a number of issues to urgently address. Central development does increase densities which can have positive environmental benefits in terms of energy and waste, but to date virtually no developers are taking the initiative to trailblaze ecologically sustainable buildings. For starters, where are the ground heaters, passive solar designs, combined heat and power units, solar arrays, solar water heaters, no-car developments? There is little discussion on the environmental impacts of pulling down housing stock as opposed to refurbishing homes. The thousands of new units in EASEL and beyond need to meet rigorous environmental standards. Flagship projects and skyscrapers are approved which have scant evidence of future proofing or green credentials. Rampant development continues on the Aire floodplain, in spite of greater unpredictability and vulnerability in run-off in the local catchment. Opportunities need to be seized to build a significant 'green corridor' to create a green lung for the city centre and improve air quality and amenity. However, some encouraging progress is being made which most recently includes consultation by Leeds City Council on Supplementary Planning Documents for Sustainable Design and Construction and Sustainability Assessments. We need to see these implemented and working as soon as possible.

In terms of recycling, Leeds remains a poor performer, with its rate of 21 per cent placing it in 284th position amongst English local authorities. Its efforts to increase its performance through energy recovery from incineration are short sighted and will only lead to increased pollution incidences. Furthermore, the scheme is likely to be financed privately leading to concerns over its accountability. The recent sale of Leeds-Bradford Airport (LBA) to equity firm Bridgepoint, and its plans to double passenger numbers to seven million annually, makes a laughing stock of any attempt at a coherent regional environmental policy. Given the proximity to Manchester and Newcastle's airports, there is a serious case to be made for closing LBA so that the region can contribute to reducing the national carbon footprint. This also goes for the proposed widening of the M1 and Aire Valley road infrastructure. In the face of global food miles and possible world food shortages, a serious focus for the future involves regional food production. Training thousands of horticulturalists is a priority.

The short and long-term environmental implications of these regeneration schemes for the region should set our solar-powered alarm bells ringing. Leeds is simply not preparing for the gargantuan environmental challenges which lie ahead and which will affect every single resident of the city. A sea change in thinking is needed now. Where we live and work need to be

more co-located, with less not more mobility in the city region. The economy of a smart city which can weather the future will be more localised than globalised. Today's scarce resources need to be redeployed now to retrofit the city for the future.

### Local democracy and public control

Beneath this comprehensive transformation of Leeds from industrial city to thriving metropolis is a dramatic restructuring of power, ownership and wealth. The public-private partnership model driving the city's regeneration threatens to further distance the basic democratic control of Leeds from the vast majority of people who live here. Gone are the days of ownership by nationalised industries and large regional families. Now privatisation and the increased role of multi-national companies in the governance and provision of local public services creates bewilderingly complex patterns and systems of governance that remove public accountability, scrutiny and control.

Ask a school teacher about changing a lightbulb in a PFI school, or try to track down who exactly is now running your PFI council housing, and you will soon realise local accountability for local services is a thing of the past. The more that public services and assets are contracted out or sold off to global companies, the less direct power our local representatives have to respond to the urgent problems of the day — such as climate change, social inequality or workers' rights.

Leeds City Council is a major holder of land assets and, in order to finance the regeneration, these assets will be sold or given away to encourage private developers to take on the works. Most of the city centre is already in the hands of the private sector, which is rolling out Business Improvement Districts to manage and develop their patch. This threatens democratic control and a loss of future sovereignty. We can see exactly what kind of democracy we get in the 'skyscraper city' by the bogus 'consultations' that accompany these regeneration schemes. The loss of public assets and public space to an increasingly corporate-owned city only increases the power of big business and decreases the autonomy of people to build their own futures. Meanwhile, few councillors are prepared to make a stand on issues of local accountability. Fewer still understand the importance of their role in maintaining local democracy against the class of ambitious 'super-councillors' and highly paid, unaccountable officers eager to build their own career and empires by cosying up to big business.

But remember, if you don't like what's happening, act! Complaints can be made to local authority complaints departments. The regional ombudsman can be asked to adjudicate on decisions by the Council. Friends' groups can be set up to protect anything from parks to playing fields. In extreme cases, legal routes such as judicial reviews against decisions can be sought. Or freedom of information requests can be made to find out key pieces of information.

Pursuing the current path, it is not likely that Leeds will increase its credentials as an affordable, sustainable, viable or democratic city. But with people prepared to stand up and demand a change of course, Leeds can become a city we are all proud of in the future.

### References

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## The 2007 local elections: more churn than change in Yorkshire and the Humber

Local elections have become an annual trial for Labour in recent years. Once the dominant force in town and city halls across the country, each May commentators have searched their thesauruses for ever more graphic ways of describing further setbacks for the party whilst Labour leaders have struggled to shrug off yet another set of disastrous results as 'mid-term blues'. 2007 was no exception.



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With elections taking place across the country, outside London, as well as for the devolved assemblies in Scotland and Wales, May 2007 saw the largest cycle of elections between general elections.

In England, there were 10,500 seats up for election in 312 local authorities,

including all 21 metropolitan and district councils in Yorkshire and the Humber. Thirteen of the latter were electing a third of the council with the remaining eight, mainly the rural districts, electing the whole of the council for the first time since 2003.

### Little cheer for Labour nationally

Once again, Labour had little reason to expect anything other than bad news. Nationally, the party went into the election controlling fewer councils, and having fewer councillors, than at any time since local government reorganisation in 1974. Although the Conservatives were defending more seats in England than Labour (4,400 compared with 2,400) the districts with 'all-out' elections were of particular concern.

By their nature, of course, 'all-out' elections offer the prospect of greater changes than in those where only a third of the council is coming up for re-election. Moreover, nationally, Labour was about five per cent lower in the opinion polls than at the equivalent point in 2003 when the backlash of the Iraq war had still to be felt.

By contrast, boundary changes meant that, in this region at least, Labour might be spared some of the humiliation they were likely to suffer elsewhere. In the region's metropolitan districts, these changes meant that the seats up for re-election this year had last been fought in 2004 when Labour had their worst results for thirty years. Any further deterioration from that position, therefore, would start to look like electoral meltdown.

As anticipated, the headlines after 3 May gave little cheer for Labour. Nationally, they lost 500 councillors and control of eight councils. Conservatives, by contrast, picked up a further 900