

ACADEMIA AND THE HOUSING MARKET RENEWAL PATHFINDERS: WHAT WENT WRONG?

Abstract

The Housing Market Renewal Initiative, started in 2002 and abruptly ended in 2011, spent £2.51 billion in an attempt to restructure housing markets in 'low-demand' areas. It was the outcome of intensive government lobbying supported by academic evidence that appealed to Gordon Brown, then Chancellor of the Exchequer, as a mechanism to counter the 'human' and 'social' capital approach advocated by Tony Blair in his New Deal For Communities initiative. Housing academics, claiming 'evidence-based policy' were deeply involved in the Housing Market Renewal Initiative's conception, implementation and evaluation. This article examines the aetiology and operation of Housing Market Renewal Initiative arguing that it was seriously flawed from the outset and the periodic assessments of the scheme from its architects perpetuated the inadequacies.

The Housing Market Renewal Initiative has particular housing policy salience because housing specialist academics — claiming 'evidence-based policy' — were deeply involved in the programme's conception, implementation and evaluation. Started in 2002 in the form of nine Housing Market Renewal Pathfinders, supported by a central Housing Market Renewal Fund, it lasted until 2011 when it was ruthlessly terminated by Coalition government. Grant Shapps, the Housing Minister, justifying axing the scheme, called it a 'national scandal', saying:

I have the figures with me. It destroyed 10 times more homes in this country than it built. Nothing—no programme—did more to destroy homes and communities in this country than the Luftwaffe in the Second World War, but the housing market renewal programme did more housing destruction and community destruction than there has been at any time since the war.

(Shapps, 2011)

Let's Go Down to the Lobby

By the late 1990s low-demand was well recognised in the housing literature (see Niner, 1999) but did not have a prominent place in the government's policy agenda. In 1999, a group made up of the Housing Corporation, 18 local authorities, the National Housing Federation, the National House Builders Federation and a number of Registered Social Landlords in the North West of England covering the 'M62 corridor' commissioned academic research to identify the nature of housing market

change in their areas. The report's central message — housing markets had become disconnected (*Changing Housing Markets and Urban Regeneration in the M62 Corridor* (Nevin, Lee, Goodson, Murie and Phillimore, 2001) — formed the basis of a submission to the Treasury for the Government's 2002 Comprehensive Spending Review made by the National Housing Federation, the Chartered Institute of Housing, Core Cities and three Regional Housing Boards arguing for the introduction of a £6–8 billion Housing Market Renewal Fund over a 15-year period. An earlier report on *Empty Homes* (Select Committee on Transport, Local Government and the Regions, 2002) — also influenced by *Changing Housing Markets and Urban Regeneration in the M62 Corridor* — called for urgent action to tackle the increasing problems of low housing demand and abandoned homes. It said:

Radical intervention is needed in some inner urban areas where the housing market has collapsed to make them attractive to a broad range of existing and potential residents. The housing market renewal approach needed to achieve this must be on a large, conurbation-wide scale.

The pitch to the Treasury, under Gordon Brown, was a success. Although New Labour's Housing Green Paper (DETR, 2000) recognised the low demand problem no specific scheme to counter the problem was proposed but, post 2002, substantial resources — £2.51 billion (Wilson, 2013) — were spent on the Housing Market Renewal Initiative (HMRI) that took the form of a series of Housing Market Renewal Pathfinder Partnerships. Each pathfinder was composed of a partnership between two and five local authorities, intended to work with associates in the public and private sector including the Government Office, Regional Development Agency, Local Strategic Partnerships, the Housing Corporation, Police Authority, Strategic Health Authority, and lead developers. Not all the Pathfinder partnerships were along the M62 Corridor. Nine Pathfinder partnerships were announced in April 2002: Birmingham/Sandwell, East Lancashire, Hull and East Riding, Manchester/Salford, Merseyside, Newcastle/Gateshead, NorthStaffordshire, Oldham/Rochdale and South Yorkshire. In 2005, three further areas — West Yorkshire, West Cumbria, and Tees Valley — were added to programme.

'Social Exclusion' Politics

The sudden Treasury commitment to the Housing Market Renewal Initiative has the hallmarks of a political decision.

New Labour's term of office was characterised by conflict between Tony Blair and his Chancellor of the Exchequer, Gordon Brown. In its first term, *New Deal for Communities* was New Labour's flagship

social programme. It was a Blair initiative, part of New Labour's focus on the 'socially excluded' with its 'underclass' connotations. Prior to the announcement of *New Deal for Communities*, in speech at the Aylesbury Estate, Blair identified 'an underclass of people cut off from society's mainstream, without any sense of shared purpose' and talked about reconnecting the working class to the economy (Blair, 1997). Although housing schemes featured in the *New Deal for Communities* programme, its primary focus was on 'social' and 'human' capital. 'Social' capital refers to the networks of relationships among people who live and work in a particular community. *New Deal for Communities* placed community engagement at the heart of the initiative and building new community centres was a major element in many of the 39 areas chosen to participate. 'Human' capital refers to the skills, knowledge, and experience possessed by an individual with education and health initiatives such as Southwark's 'Gifted and Talented' — providing extra activities designed to foster higher achievement — and 'Healthy Living Centres' prominent elements in the programmes.

Gordon Brown never used the term 'underclass' and attacked those who did. Brown's concern was economic capital not social and human capital (Greed and Johnson 2014). Indeed, on becoming Prime Minister in 2007, he switched the emphasis of *New Deal for Communities* to unemployment reduction measures. Brown clashed with Frank Field, appointed by Tony Blair as Minister for Welfare Reform to 'think the unthinkable' that, to Field, meant ending 'welfare dependency'. Brown preferred tax credits to put more money into the pockets of the low-paid. The Housing Market Renewal Initiative mantra must have had strong appeal to Gordon Brown. The economics of reconnecting housing markets was an ideal counter to Blair's emphasis on social and human capital.

The Housing Market Renewal Initiative: Rationale

Changing Housing Markets and Urban Regeneration in the M62 Corridor (Nevin, Lee, Goodson, Murie and Phillimore, 2001), as a lobbying document, brought the information on low demand together and gave prominence to the private housing market. It identified polarisation between an affluent, peripheral, predominantly owner-occupied sector, self-sustaining and supported by the growing number of households in the market. A private sector market of older homes, usually catering for low-income households and social housing operated in the inner-cities.

Later, Brendan Nevin and Ian Cole produced *The Road to Renewal* (Joseph Rowntree Foundation, 2004). The report gave the authors' credentials as:

Both authors have been involved in the development of the policy debate around market renewal over the past few years... were engaged as specialist advisers to the Select Committee inquiry into 'Empty Homes' in 2002, which proved influential in attracting

national political attention to the incidence of 'market failure' in parts of the North of England and the Midlands...

Unfortunately the report was a dog's breakfast of vacuous words and phrases such the earlier 'proliferation of single-issue initiatives', 'holistic', 'market restructuring', the need for a 'sophisticated and multilayered approach with co-ordinated and integrated programmes' but said little on how the pathfinders could change the low-demand problem.

The overall message from the housing market renewal advocates was summarised by Chris Allen (2007 p.122) in *Housing Market Renewal and Social Class*

Conventional forms of urban renewal primarily focused on improving the physical fabric of the urban areas.... This convention was rejected by the architects of HMR such as Ian Cole, who designates it as a 'sticking plaster' approach (Cole and Flint, 2006). The architects of HMR argue that it an entirely 'new' form of urban renewal (Cole and Nevin, 2004) because it seeks to 'renew' the market for houses in inner-areas.

The 'monolithic' predominance of specific housing types, namely 'outdated' terraced housing (Allen, 2007 p 124) was regarded by the pathfinder advocates as major impediment to market renewal.

Changing Housing Markets and Urban Regeneration in the M62 Corridor (Nevin, Lee, Goodson, Murie and Phillimore, 2001) was written by housing academics and the analysis of other factors influencing low demand was very limited,

Low-Income

The proportion of people living in relative poverty after housing costs increased from 15% in 1980 to 25% in 1990 and remained constant throughout the 1990s (Francis-Devine, Booth and McGuinness, 2019). Income polarisation influences housing polarisation by location in the private sector and the local authority sector was increasingly housing households with very low incomes.

Transport

Analysis of transport links was absent, unfortunate given that good local transport links are important in job opportunities. The Oldham/Rochdale Pathfinder area has benefited more from a new tram link than from all the pathfinder activity.

Regional Economic Change

From 1990 to 2000 economic growth in London increased from 11% above the national average to 15% above, the South East from 5% to 10% whereas the North West declined from minus 10% to minus 12%, the North East declined from minus 10% to minus 15% and Yorkshire and Humberside from minus 4% to minus 7% (Coe and Jones, 2010). However, the housing emphasis of *Changing Housing Markets and Urban Regeneration in the M62 Corridor* ignored regional economics producing a 'Northern Powderkeg' of demolition rather than a 'Northern Powerhouse' of economic growth,

Even the specific housing analysis was flawed. Initiatives such as Estate Action, one of the very few urban renewal initiatives approved by Margaret Thatcher who thought that 'many of these schemes were good and imaginative' (Thatcher, 1993, p 605) was consigned to the 'piecemeal' bin. The growth of private landlordism was noted but, given its significance in the future impact of the HMRPs, seriously underplayed.

A study of housing markets over time by Bramley et al (2007 p ix) stated: 'Wards which started with low prices, in absolute terms and relative to predicted levels, tended to see greater subsequent increases, and vice versa, suggesting markets do adjust to disequilibrium over time' (Bramley et al, 2007 p ix). The housing market had been in the doldrums in the early 1990s but, from the middle 1990s, it was recovering. UK house prices increased from 65,644 in 1995 to £101,550 in 2000, from 47,660 to 65,145 in the North Region, £54,356 to £72,174 in Yorkshire and Humberside and £56,538 to £78,415 in the North West (Wilcox, Perry and Williams, 2011). This would impact on the 'low demand' areas as first-time buyers would no longer be able to by-pass the bottom rungs of the market. As Chris Holmes (2003) noted in *Housing Equality and Choice*:

The problem at the present is that it is not clear whether the Pathfinder projects should assume that population and demand for housing will continue to fall, or whether economic initiatives will slowdown outward migration and increase the demand for housing.

What went wrong?

Because the low demand issue was diagnosed only in short-term housing terms the policy response was myopic but, in addition, the specific housing related action was deficient.

It took a long time for the government to declare the objectives for the Housing Market Renewal Pathways. These were set out in *Sustainable communities: homes for all* (HM Government, 2005) as: to eradicate the problems caused by low demand by 2020 and to reduce by a third the gap in the level of vacancies and house price values between pathfinder areas and their regions'.

Bulldozing

'Reconnecting housing markets' is a smart term, but how was it to be achieved? Demolition of a large part of the existing stock and its replacement by 'modern' housing had appeal. Indeed, the terraced house seemed to be the *bête noire* for many housing market renewal aficionados. Brendan Nevin, who became Director of the Renew North Staffordshire, a Housing Market Renewal Partnership, announced he was drawing up plans to demolish at least 9,000 of the area's 25,000 pre-1919 terraced houses. He said:

If we are serious about restructuring the city's Victorian infrastructure that's the scale of clearance required.... At its peak we will need to demolish a thousand a year. That's an enormous challenge for a city like Stoke on Trent.

(Quoted in Weaver, 2004)

Instead of improving existing homes, Renew North Staffordshire planned to encourage the construction of new homes, at a rate of up to 600 a year. That would have meant 400 fewer homes per year and may have raised house prices in Stoke closer to the regional average.

The Guardian (2004) reported:

Up to 400,000 houses in the north of England could be demolished under plans by John Prescott to transform struggling regional economies. And it won't just be empty homes. Some communities will see the wrecking ball destroy homes in a bid to tackle areas of housing market failure, where the price of homes plummets.

Save Britain's Heritage attacked the programme as destroying the North's Victorian terraces and, later, published a devastating report on the overall impact of the initiative (Save Britain's Heritage, 2011).

In 2005, *Tonight with Trevor McDonald* demonstrated the renovation of a property for £24,000 - only £6,000 more than it would cost to demolish it and without the £30,000 in compulsory purchase compensation (Guardian, 2005). Urban Splash was renovating terraces in Salford with living rooms and kitchens on the upper floors, using the all the roof space for a mezzanine floor.

One of the pathfinders' problems was that homes were to be knocked down, not because they were unfit and could not be improved, but because they were in low demand and the market required 'renewal'. The householders were sacrificing their present for someone else's future. Although the initial pathfinder demolition penchant was scaled back, Archer (2011 p 50), in examining specific schemes, notes:

The Scheme Updates, submitted to government in 2005, show that HMRPs intended to focus much their HMR monies on clearance related activity....The amounts of HMR money earmarked for refurbishment by these HMRPs in 2006-08 ranges from 18% to 1%. It is clear, therefore, that for the period 2006-2008 the pathfinders would concentrate their HMR funding on clearance. Despite this, by 2006 HMRPs were reducing estimates for the total number of demolitions by approximately 30% (Audit Commission, 2006). It is somewhat of a paradox that funding was being targeted at demolition, but plans for such activity were being scaled back.

Community engagement was crucial but the National Audit Office (2007) noted:

All the pathfinders have developed community engagement strategies, establishing various mechanisms for resident participation and community consultation. All the pathfinders claim majority support for their proposals. However, we found that in areas planned for demolition and where vibrant communities still exist, having an extensive community engagement programme in place is not enough. The way this programme is implemented is crucial in gaining and maintaining community trust and support for the plans, both of which determine levels of community tension and stress.

Many pathfinders encountered considerable local opposition with Archer (2011) reporting 'A number of communities that were subject to housing demolition, or were going through the process of compulsory purchase orders, were expressing dissatisfaction (and at times outrage) with the activity'. The MP for part of the Rochdale/Oldham Pathfinder said that it was costing Labour votes (Telegraph, 2005). The National Audit Office (2007) was so concerned about the level of community involvement that it set out key principles for future application by the pathfinders.

House Prices

The late 1990s upward movement in house prices gathered momentum in the 2000s. The National Audit Office (2007) reported that, between 2002 and 2006, house prices in pathfinder areas almost trebled, a price movement partially explained by Leather and Nevin (2012) by 'increased demand arising from international in-migration'. Rapidly rising house prices caused problems for the pathfinders. As prices increased, residents displaced from demolition areas found themselves unable to afford alternative properties in their districts. Pathfinders estimated that, on average, there was a gap of £35,000 between the amount of compensation existing homeowners received for their home when subject to a Compulsory Purchase Order and the cost of buying a suitable alternative property National Audit Office (2007). Pathfinders offered a range of financial packages to help bridge the gap such as relocation grants, shared ownership properties, equity loans, and discounts on new houses. The impact of such measures is unrecorded.

In 2006 the Audit Commission examined pathfinder progress and noted:

House prices have increased in most pathfinder areas and there has been some closing of the percentage gap with regional prices, which some have seen as an indication that markets are recovering. However, headline statistics can mask complex dynamics such as the impact of national factors on local prices, variable price shifts within pathfinder neighbourhoods and speculative purchasing by investors in the private rented market. A deeper understanding of the state of local markets is required before any informed decisions can be reached.

(Audit Commission 2006, quoted in Wilson, 2013 p.13)

In other words, the pathfinder impact on rising house prices was uncertain and to the extent that house price increases in pathfinder zones was the outcome of markets — higher house prices outside the pathfinders forcing more households into previously low demand areas — the whole rationale of Housing Market Renewal Initiative was undercut.

Private Landlords

Between the 2001 and 2011 censuses private landlordism in England increased from 10.1% to 17.9%, an additional 1,972,000 households. In the 10% most deprived areas, private renting increased by 89.5% and, in the second most deprived area, by 84.4% compared to a 37.5% increase in the least deprived areas and 47.5% in the second least deprived areas (Rhodes, 2015). The role of private landlords in the Housing Market Renewal Initiative is under-researched and the lack of information on, and engagement with, the private landlord sector was noted in *Key messages and evidence on the housing market renewal pathfinder programme 2003–2009* (DCLG, 2009). Private renting increased rapidly in many pathfinder areas. For example, in the NewHeartlands (Merseyside) pathfinder private renting expanded from 16.4% in 2001 to 25% in 2006 — 18,482 to 33,000 — (DCLG, 2009; Selfton Council, 2007).

Archer (2011) states:

Some reports suggested that HMRPs were paying substantially over the market value for properties as they sought to take ownership of them for demolition (The Times, 2007)...Indeed, commentators in the national press were noting how properties were being bought up by private landlords and ‘filled with people on housing benefit’ (Hetherington, 2007, p.1). These speculators were then ‘receiving a tidy pile in taxpayer-

funded rent' and subsequent compensation when the houses were compulsorily acquired.

Historical knowledge might have alerted the architects of the Housing Market Renewal Initiative to dangers of speculative private landlords operating in clearance areas. In the late 19th century clearance 'house farmers' bought property in clearance districts subject to a demolition order. The landlords overcrowded their properties. Tenants paid high rents for very limited space and landlords benefiting from market value compensation when the houses were bought by the local authority (Stedman Jones, 2013, Lund, 2016). Indeed, the Housing Market Renewal Initiative had the characteristics of the area improvement schemes undertaken under the 1875 Artisans' and Labourers' Dwellings Improvement Act. People displaced from clearance schemes could not afford to live in the replacement dwellings, an outcome justified by 'filtering' theory. Sir Sydney Waterlow, Chair of the philanthropic housing company, the Improved Industrial Dwellings that was involved in clearance activity conceded that his company did not directly house the poorest, but claimed:

It would not have been right to build down to the lower class, because you must have built a class of tenement which I hope none of them would be satisfied with at the end of fifty years. We have rather built for the first class, and by lifting them up leave more room for the second and third who are below them.

(Quoted in Gauldie, 1974, p 234).

The housing 'expert' generated a tenure shift from homeownership and social renting to the private landlord sector that has had long-term consequences. Shelter's 2009 report *Housing Market Renewal Briefing* stated ' Poor practice by private landlords in the pathfinder areas can lead to neighbourhood decline. More needs to be done to tackle the problems caused by absentee landlords and poorly maintained stock, including the increased use of selective licensing by local authorities'.

The End of the Housing Market Renewal Initiative

The coalition government's indictment of the Housing Market Renewal Initiative was scathing. It destroyed 10 times more homes in this country than it built. Moreover:

The centrally driven schemes were often resented by local communities and created as many problems as they solved.... There was widespread public controversy over an obsession with demolition over refurbishment, the lack of transparency of the pathfinder quangos, large profits by developers, the demolition of our nation's Victorian heritage

and perverse incentives being given to rundown neighbourhoods.... Quite predictably, the cure turned out worse than the disease.

(Shapps, 2011)

Having ended the main funding stream, the government announced transitional funding of only £30 million to mitigate the impact of terminating the programme in five HMR areas. Whatever the failings of the Housing Market Renewal Initiative — and there were many — this was a cruel blow to the blighted area inhabitants living in ‘ghost streets’. More resources should have been allocated to clean up the mess left by the pathfinders and their advisers.

Apologia, no apology

Incongruously, given their close association with the inception and implementation of the scheme and the strong criticisms of it, in 2011, the Housing Market Renewal Pathfinders Chairs commissioned Nevin Leather Associates, (Philip Leather, Brendan Nevin, Ian Cole and Will Eadson) to evaluate the Housing Market Renewal Initiative’s impact. It was akin to hiring Frankenstein to evaluate his wretched creation.

Much of the report consisted of commendations from the Pathfinder Chairs (without evidence) on matters such how the schemes ‘developed local intelligence on the operation of the housing market and how interventions can be effective which have fed into other plans and strategies’; ‘stimulated design standards in new build and renovation’, ‘funded environmental improvements in neighbourhoods which have made a vital contribution to improving attractiveness and sustainability’ and generated employment which they did in the sense that the ‘wreck’ squads in Kurt Vonnegut’s *Player Piano* (1952) did.

The report also stated that ‘In spite of media representation to the contrary, the main emphasis of the programme was on preserving and improving the existing housing stock wherever possible’, a remark that contrasted sharply with Nevin’s emphasis on demolition whilst Director of the Renew North Staffordshire and the statement by Leather and Nevin in an article published in *Urban Studies* (2012 p 870):

The argument that the retention of existing dwellings is more sustainable than demolition is true in a narrow sense, but takes no account of the wider sustainability impact of the longstanding process of the decentralisation of population from inner cities to suburbs and the increased levels of commuting which the programme sought to address.

Output figures from 2002/4 to 2010/11 were quoted as 30,987 (demolitions), 108,734 (refurbishment) and 15,780 (new build) [Nevin Leather Associates, 2012]. However, the statistics did not include the separate expenditure on demolition, refurbishment and new build and, as Archer (2011) has pointed out, purchase and demolition were very expensive. Moreover, 'refurbishment' can include short-term remedial measures or full improvement and *Key messages and evidence on the housing market renewal pathfinder programme 2003–2009* (DCLG, 2009) noted that between 2003/4 and 2006/7 8392 were refurbished to the decent homes standard but 29179 *not* to the decent homes standard. Nevin Leather Associates (2012) explained the dearth of new build by the need to assemble sites and then the recession but, given the nine year pathfinder time-scale and the resources pumped into the areas, new home production was disappointingly poor. In their *Urban Studies* article Leather and Nevin give figures on demolitions, refurbishments and new build relating to 2002/3 and 2009/10 as 21,190 (demolitions), 85,443 (refurbishment) and 29,196 (new build) quoting 7,936 as net new build. The discrepancy between these figures and the ones quoted in Nevin Leather Associates, (2012) is not explained and, in both sets of figures, total demolitions is given not *acquisitions* for future demolitions which helps to account for the incongruity between the relative expenditure on demolition and refurbishment and actual outcomes detected by Archer (2011).

Leather and Nevin (2012) attributed critiques of the Housing Market Renewal Initiative to 'the heritage lobby and a number of academics', citing Allen (2008), Webb (2010) and Cameron (2006). They claimed that the cited authors 'believed that public policy and urban renewal were the cause of neighbourhood decline in older urban areas'. They did not. They criticised the havoc and community dislocation associated with strategy advocated by Nevin and his associates and noted how, by stripping the working class households from their social contexts, they were represented as 'failed consumers'. The attacks by Nevin and his associates was a 'trash' exercise. They did not engage with the arguments but made a number of vague, unsubstantiated statements such as 'they are notably devoid of an historical analysis', 'they ignore or dismiss economic evidence on market change' and 'they rely on assertion rather than evidence' (somewhat ironic coming from these authors).

Additionally, Leather and Nevin claimed:

A common feature of critiques of the HMR programme from all these sources is the lack of proposed solutions to the problems arising in the affected areas, other than the provision of grant aid for renovation, in effect a revival of palliative policies which circumstances had shown to be completely ineffective in reversing market forces.

A curious statement given that in Nevin et al stated that 'In spite of media representation to the contrary, the main emphasis of the programme was on preserving and improving the existing housing stock wherever possible' (Nevin Leather Associates, 2012).

Allen's book met with bitter opposition from some of the Housing Market Renewal advocates. Allen (2017 p 28) states:

My publisher, Routledge, was threatened with legal action by one of the architects of HMRP and a HMRP partnership in advance of publication. From the letters received, the intention behind the legal threat seemed to be to acquire an advance copy of the book in order to influence its contents before publication. (A similar intervention was later made in relation to a PhD thesis). This was refused and, in the event of publication, the action did not materialize. Throughout this period, however, I received threatening emails warning me to "behave".

The accusations made by Leather and Nevin were repeated by Cole (2015) in *The Housing Market Renewal Pathfinder Programme : a drop of Keynes in a neo-liberal ocean?*

He asserted that:

An unlikely alliance of heritage lobbyists and critical urban theorists condemned HMR plans to 'modernize' local housing markets as an exercise in state-sponsored gentrification, displacing working-class households in the search for more attractive 'new urbanists'. HMR programme included demolition of existing homes, partly to modify the structure of local housing supply. Elsewhere many fairly conventional housing improvement schemes were implemented, sustained by an additional £2 billion of government investment.

The linking of conventional housing improvement to the £2 billion government investment does not fit with the evidence on spending on improvement and demolition. Moreover, criticism of the Housing Market Renewal Initiative goes well beyond 'heritage lobbyists and critical urban theorists'.

In a *Guardian* article headed 'Once they called it Rachmanism. Now it's being done with taxpayers' money' Simon Jenkins (Jenkins. 2007), noted an earlier *Guardian* section, praising the Housing Market Renewal Partnerships. Jenkins declared 'the section ominously carried no advertising, but was not headed "advertising supplement". Yet it was paid for by the government's Housing Market Renewal Partnerships'. He went on to comment on the relocation process, saying:

Tenants are offered £1,000 to get out, while owners have been receiving, on Rowntree Foundation figures, some £35,000 less than the market value prior to the clearance decision. This technique, known in the 60s as "winkling", was once performed by the likes of Rachman. It is now being performed by the state.

He also alleged that Pathfinder claim that they were renewing local markets was misleading stating: 'The truth is that the northern property market is "renewing itself" ahead of Pathfinder'.

Jane Kennedy, MP for Liverpool Wavertree, condemned Liverpool's scheme as an act of 'social cleansing' (Telegraph, 2006). Archer (2011) has drawn attention to the large amounts spent on demolition compared to improvement and a study of three pathfinder areas by Turcu (2012) concluded:

....rebalancing of regional housing markets through the encouragement of home ownership against social and private renting, considered by HMR 'undesirable' characteristics of sustainable housing markets, did not seem to work in our three areas. On the contrary, a buoyant private renting market was present, which, however, was little monitored or 'regulated'.

Lee Crookes (2011) as part of a persuasive argument that the Housing Market Renewal Initiative was a large-sale exercise in gentrification, has drawn attention to the lack of interest in what happened to the people displaced by demolition stating:

The point here is that we do not even know the total number of households that were displaced by HMR-related acquisitions, let alone where they went. This fact that there are no official figures available for the number of households that were directly displaced by HMR speaks volumes about the nature and motives of the programme.

Crookes, 2011 p 137)

Anna Minton, having visited a number of pathfinder areas, described the desperate battles of local residents to safeguard their homes. High Court actions were slow and gradually more and more houses were 'tinned up' making the area unpleasant for the remaining residents wanting to preserve their communities. As Minton, (2012 p 84) says:

In the 1950s and 1960s slum clearance also broke up communities but many welcomed the improvement in living conditions. Today, the irony is that residents happy with their homes are forced to prove that their homes are structurally sound, in the face of council claims that they aren't.

Leunig and Swaffield (2007), from the Policy Exchange, declared that the Housing Market Renewal Initiative approach was 'fundamentally misguided' because 'the underlying cause of low house prices is not poor quality housing, but an inability to generate jobs'; 'the prospect of demolition can and does blight a neighbourhood' and:

...speculators often move in to areas in which demolition is predicted, bidding up prices and making demolition more expensive. Using freedom of information legislation The Times found that the Government had paid an investor £450,000 for an end of terrace house in Manchester, more than twice the price paid for any other property in that road...The plan-led system of identifying houses for demolition risks giving speculators a free lunch.

In *Questioning the concept of market failure in housing: the case of Housing Market Renewal in Liverpool*, Couch, Lord and Cocks (2015) conclude that 'despite substantial state intervention, many of the neighbourhoods that were vulnerable to market failure a decade ago remain equally so today'.

Conclusion

Gordon Brown's attempted to inject physical capital, rather than Blair's 'human' and 'social' capital, into deprived area but he was let down badly. The use of £2.5 billion resources was disappointingly poor. Evidence-based policy from academia helped to identify the low-demand issue but action from the resources allocated was more informed by the simple notion that low demand could be overcome by reducing the supply of particular housing forms rather than by considering the underlying factors influencing housing conditions in particular areas, a problem perpetuated by allowing the programme instigators to be the principal evaluators. Unemployment and low wages, as factors in low demand, were ignored. As Nevin's time as Director of the Renew North Staffordshire, when he proposed to demolish at least 9,000 of the area's 25,000 pre-1919 terraced houses, demonstrates the Housing Market Renewal Initiative was a demolition project, despite later claims by Nevin and his associates that it was a mainly a refurbishment scheme. Writing in *Inside Housing* Martin Newman said 'the concept of 'market failure' and the solution of 'housing market renewal' came from academia, which is where these ideas should have stayed'. Housing academics need to be kept in their place. So called 'evidence-based policy' from academia identified a problem but not a solution and 'academic' evaluations by its creators masked the inadequacies of the Housing Market Renewal Initiative. As Watt and Smets (2019 p 470) state: 'In the case of HMR, the two worlds of policy consulting and academia came together in a manner that ultimately neutered academia's critical edge'.

The 'high modernist', 'grand design' (Scott, 1998) of the Housing Market Renewal Pathfinder Programme had devastating outcomes: blighted communities; property speculation resulting in an increase in unregulated private renting and the perpetuation rather than the elimination of the underlying economic reasons for alleged housing market failure.

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