case studies

# Combined regeneration

## SPITALFIELDS SMALL BUSINESS ASSOCIATION

**Spitalfields Small Business Association (SSBA) is an inspiring example of how action by a close-knit determined community can, with committed professional help, change an area's physical environment and economic prospects.**

### Poor housing stock

The Spitalfields area around Brick Lane, just east of the City, has, since the seventeenth century, been the first home of various waves of immigrants, the latest of which is the large Bangladeshi community. Until recently it was renowned for its poor housing stock and the small production units mostly given over to the clothing trade.

Although the situation is changing, with the appearance of loft-style residential developments, smart bars and designer furniture shops, the area remains one of the poorest parts of London. Only in the last twenty years have the slum dwellings rented by private landlords begun to give way to social housing.

PHOTO: ED BARBER

Mah Rana, jeweller, 170 Brick Lane

### A challenge

In 1979 Kay Jordan was working as an architect for Solon Co-operative Housing Association. Solon was approached by a group of Bangladeshi tenants of private rented accommodation in Spitalfields, who wanted to form a co-operative to buy and improve their homes. Many also had small workshops, often in the same buildings. Although unused to dealing with mixed-use properties, Solon agreed to help.

### Many companies – one landlord

Investigation showed that one landlord owned the many 'trusts' that owned the buildings, and Solon made an approach, with a view to buying. He refused to sell; but pressure was brought to bear by means of a series of statutory orders to prevent overcrowding and enforce repairs.

AN ENTERPRISING COMMUNITY TAKES OVER BOTH SLUM HOUSING AND

Eventually, unwilling to spend the necessary money, the landlord agreed to sell, but only on condition that the residential and commercial property was bought together. This was a problem – finance for the acquisition and refurbishment of the homes for the housing co-operative was to come from the Housing Corporation, who could not pay for commercial property.

## Creative thinking

Pat Brown, co-ordinator of Solon, and as Deputy Leader of Islington Council a powerful advocate at the GLC, suggested creating a 'commercial Co-operative', which would purchase all the property and pass the housing to a housing co-op. The landlord was persuaded to sell on a leasehold basis, at no premium but with pre-determined ground rents and full repairing liability. Although such mixed urban regeneration was a new concept, Spitalfields Small Business Association (SSBA) was set up, and received a GLC grant to pay for a worker. In 1983 Kay Jordan took over the job; eighteen years later she is still there as co-ordinator.

## Money problems

The leases granted by SSBA to the housing co-operative (which became Spitalfields Co-operative Housing Association) generated some money for the improvement of the commercial property – but only £67,000 for more than 100 units.

SSBA's lease gave it five years to bring the commercial property up to standard; if it failed the landlord could reclaim the property. However, by the end of five years very little had been achieved, since it had proved so difficult to raise money. Eventually money was promised, only for the GLC's capital spending to be frozen by the central government.

## A complex process

Kay managed to raise £650,000 in total, some through Tower Hamlets Council's Urban Programme – not a great deal for all the original property, and for an additional 15,000 square feet. The complex process of refurbishment involved gradually moving residents and workshop tenants about, working on the units, and moving the tenants back in. This was done with the full co-operation of tenants – in ten years only one SSBA tenant refused to co-operate.

## Friendly freeholders

By the late 1980s London's property market was beginning to change. The original landlord – who still owned the freeholds – put the properties up for auction. SSBA and the housing co-operative were in danger of losing their leases and began to look for sources of finance to buy the freehold itself. Alan (now Lord) Sheppard of Business In The Community and Grand Metropolitan – which had just bought the Truman Brewery in Brick Lane, and was therefore interested in the area – agreed to help. Grand Met successfully bid for the freeholds, and became a friendly freeholder, allowing SSBA and the housing co-operative time to complete their repair and improvement programme.

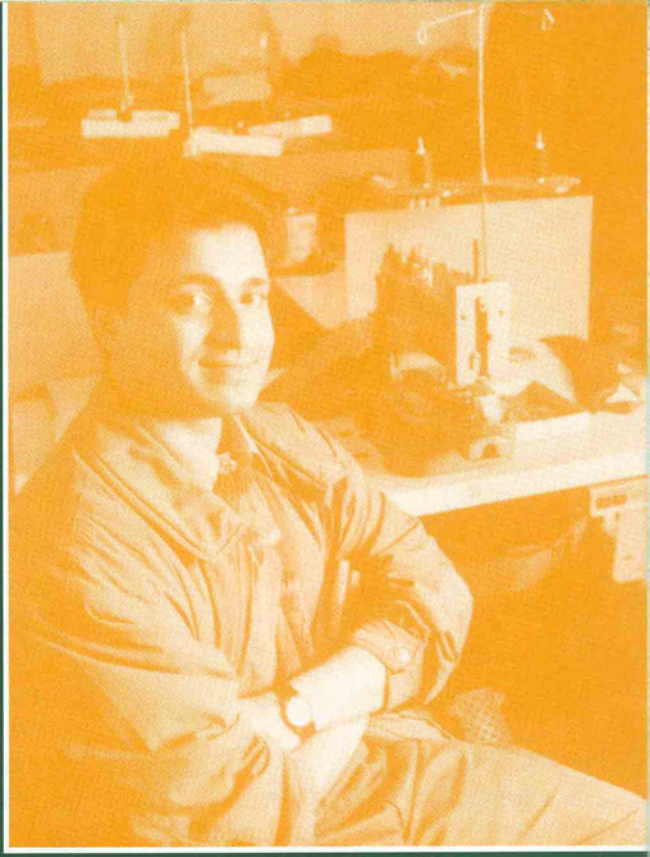

Photo: Ed Barber

**Mahbub Ahmed, Leathercraft (London) Ltd., 37c Princelet Street**

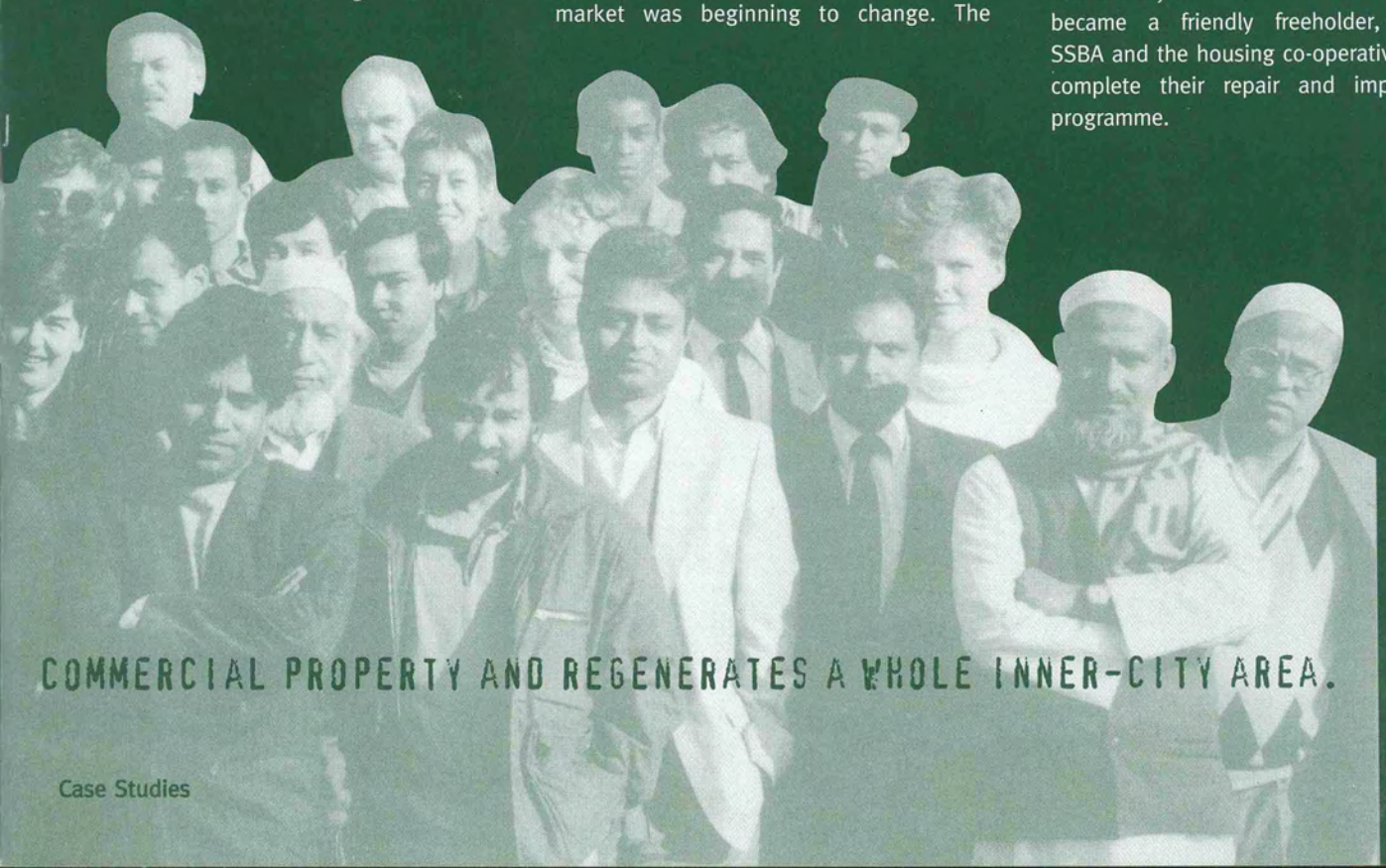


Photo: Ed Barber

Support for the project was greatly increased by the higher public profile this alliance gave, especially when Prince Charles came to view the area, seeing both SSBA's achievements and the difficulties. By the time Grand Met sold the freehold on, the Spitalfields Market Trust was in a position to purchase some of SSBA's properties.

## Training and employment

Kay realised that a directly employed labour force to do the building work would save money, and that training could create employment. In partnership with a construction training organisation, the Crown & Leek Public House was used for the training and trainees became Crowngate Builders. The pub was converted to accommodate SSBA's expanded team of staff and advisors on the first floor and turn the ground floor into a joinery works, which ran training courses and then became Crown & Leek Joinery. The two firms have now amalgamated and continue to work for SSBA and other clients.

## Ten years on

After ten years all the original properties were finally improved and further ones acquired, providing suitable premises for the businesses upon which the local community relied, and contributing to the area's increasing attractiveness.

SSBA has not rested on its laurels. It recognised that if the small clothing businesses were to survive, expand and raise wage levels, they needed business support. Money was found to match grants from Europe to employ accountants and consultants to advise them, and support them through the development of a business club and a local enterprise newspaper, 'East End Enterprise'.

## Other ventures

Two other ventures are also under SSBA's wing – Poetry In Wood and Heba women's project.

- POETRY IN WOOD trains people with learning difficulties in the manufacture of wooden toys and after training provides them with supported employment.
- HEBA women's project began as a training course for Bangladeshi women teaching them English and craft skills. As well a providing a permanent training centre and crèche where women can improve their skills in sewing, printing, computing and languages, Heba now manufactures goods for many clients, including the Amnesty International Christmas catalogue, and has its own retail shop in Brick Lane.

## Expanded portfolio

The 1990s have seen SSBA's property portfolio expand to include 80 workshop and retail units, (50,000 square feet), employing 600 people. The development of Links Yard, an old fur factory, provided 20,000 sq. ft, and was part-funded through private sector borrowing against the orginal portfolio as well as a City Grant. SSBA's annual turnover is now £750,000.

## Changes in structure

SSBA's many changes of fortune have necessitated changes in structure. The legal structure was originally set up to allow the housing to be taken into social ownership – the commercial property was secondary. It was not until 1986, when ICOM's legal department developed model rules for community businesses, that SSBA was able to register as a community-owned co-operative business – the first.

SSBA is owned and controlled by its members, who elect the board. As well as tenants, the board includes representatives from the staff, supporters, and subsidiary projects such as Poetry In Wood and Heba.

A separate community trust has recently been set up to take on all the training work and charitable objectives.

## Honoured

SSBA started with almost no examples to follow, in the face of incomprehension and even opposition from authorities who were later to refer to it as a model. It is now the norm to consider more than housing when planning regeneration schemes.

The work of Tassaduq Ahmed – long-time chair – and Kay Jordan has been recognised as a major contribution to the quality of life of the area. Both have received an MBE for their work for the community.

## Facts and figures

- **Spitalfields Small Business Association's title was chosen because the then chairman of the GLC was keen on small businesses.**
- **15,000 square feet were rebuilt and refurbished with £650,000 in urban programme and task force grants.**
- **SSBA's property portfolio includes Links Yard – a new development of a disused fur factory – which has 28 units housing everything from pâtissiers to architects. Its 20,000 sq. ft was refurbished with £600,000.**
- **1984: property portfolio – 15,000 square feet; 1998: property portfolio – 50,000 square feet.**
- **SSBA was the first registered community -owned co-operative business.**