

Proposed new funding condition to require resident ballots in estate regeneration: Consultation Response

Response from: London First, Middlesex House, 34-42 Cleveland Street, W1T 4JE

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London First

1. London First is a business membership organisation with the mission to make London the best place in the world for business. We work with the support of the capital's major businesses in key sectors such as housing, property, retail, finance, transport, infrastructure, professional services, ICT and education.
2. London First welcomes the opportunity to respond to the Mayor's consultation paper 'Proposed new funding condition to require resident ballots in estate regeneration'. This response only addresses issues in the consultation that are relevant to our agenda. London needs to build at least 65,000 homes a year. To meet this target, the Mayor needs to use a range of measures to increase supply. Estate regeneration can not only transform existing communities, but it can also add to the much-needed supply of new homes across the capital.

Summary of key issues

- Where redevelopment of an estate is identified as the best option for both residents and the wider community, effective community engagement is essential for delivering new homes. Our report on estate regeneration, '[More and better homes for London](#)', published in 2017 sets out a number of case studies, from local authorities, housing associations, and private developers highlighting positive resident and community engagement practice. While there are key themes about how to successfully undertake resident and community involvement, a bespoke approach, taking into account local need, generally yields the best results for all involved.
- The introduction of ballots is a one size fits all approach to consultation that does not take into consideration the requirements of individual estate residents and communities. Any decision relating to the use of ballots should rest with local authorities who are best placed to understand the specific concerns and interests of their local communities.
- If ballots are introduced, the Mayor should commit to an independent review of the use of ballots to understand their impact and effectiveness.
- If ballots are introduced, the trigger threshold should be proportionate to the scale of change that is being proposed to the estate. The current threshold of just one home being demolished on sites that have 150 or more homes is disproportionate.
- Estate regeneration can be a complex process. To engage effectively with residents and the local community it can require significant upfront costs to ensure that people are given the information required to understand the regeneration proposals. We would like the GLA to support local authorities or Reregistered Social Landlords (RSL) should they face abortive costs.

- Where there is an increase in the numbers of affordable homes being built in an estate, it is not just residents who live on the estate who are affected by this. In these cases, the ballot should be open to those on the housing waiting list.
- Ballots should not be used where full or outline planning permission has been granted, where contracts have been signed for GLA funding, where a ballot has already taken place or where a phased approach to regeneration has already begun.

Consultation response

1. Do you agree that the GLA should make resident ballots a funding condition for estate regeneration schemes?

1.1 Estate regeneration can be one way of transforming areas in need of investment while increasing housing supply. Effective resident engagement is essential to delivering estate regeneration and our report '[Estate Regeneration: More and better homes for London](#)', published in 2017, sets out a number of case studies, from local authorities, housing associations, and private developers highlighting positive resident and community engagement practice.

1.2 We do not agree with the approach to ballots outlined in the consultation. Ballots are one way of engaging with residents and up until now they have been at the discretion of the local authority or RSL. The planning system already provides an effective process for engaging with local communities about potential development in their area, although there is of course always room for improvement.

1.3 The introduction of ballots as outlined in the consultation could potentially drive away much needed investment in those estates in London that particularly need it. It may lead to the prioritisation of redevelopment not based on need, but wider political concerns, and could ultimately reduce the appetite to undertake such development in what are, typically complex and long-term schemes, as areas outside of the capital do not have the same requirement.

1.4 Any decision relating to ballots should rest with local authorities who are best placed to understand the specific concerns and interests of their local communities. Local authorities should then be able to balance the use of ballots and other methods of engaging with existing residents and the wider local community with broader considerations such as: the economic and social benefits that estate regeneration may bring, for example jobs and training opportunities; benefits of an increase in the supply of homes, including affordable housing; and improvements to the health and wellbeing of residents living on the estate and in the wider community.

1.5 However, if ballots are introduced in line with the consultation proposals, making them a condition of funding from the Mayor is the most appropriate route. Furthermore, the Mayor should commit to an independent review of the use of ballots after a sufficient period of time to understand their impact and effectiveness.

2. Do you agree with the proposed criteria that would trigger the requirement for a resident ballot? Why/why not?

2.1 If ballots are to be introduced the trigger threshold should be proportionate to the scale of change that is being proposed to the estate. The current threshold of just one home being demolished on sites that have 150 or more homes is disproportionate. A more nuanced

approach is required that considers the existing number of homes, the number of homes that will be demolished and the number of homes to be constructed.

2.2 As the consultation document links ballots to GLA funding, it is not appropriate to link the threshold to the Mayor's threshold for determining planning applications. Such a link could cause confusion over what lies with the funding guidance and what lies with the planning process.

3. Do you agree with the proposed scope of resident ballots? Why/why not?

3.1 Regenerating large estates can take a long time, sometimes anywhere between 10 to 20 years. A ballot can only gauge a moment in time and does not reflect that over the period of regeneration, the people living on the estate will change, local priorities will change, and the economic environment can change dramatically. All these changes could significantly impact on the viability of a scheme. Consequently, proposals made to residents need to be flexible enough to withstand a range of external factors so that should changes be required, those who are leading the development are able to respond to these.

3.2 In order to provide residents with enough information to decide, extensive consultation is required beforehand. Plans and drawings will need to be provided so that residents have a clear understanding of the proposals. To do this will require significant upfront costs to ensure that residents are given the appropriate quality and depth of information they need to understand the proposal. This may require the GLA to offer financial support to local authorities or RSLs to undertake such work, beyond that which is being used to support the physical construction.

4. Do you agree with the proposed stage in an estate regeneration process at which ballots should happen? Why/why not?

4.1 If ballots are to be introduced, then the timing suggested in the consultation should be used as a guide but with scope for local flexibility if the local authority and landlord (where these are different entities) agree about this. There are likely to also be several partners involved in a scheme, who may or may not be able to deliver the proposals agreed as part of the offer made to residents before the ballot, which is another reason to allow for some locally determined flexibility in the timing of a ballot if all parties agree.

4.2 In addition, consideration needs to be given to the ongoing viability of a scheme. Flexibility is required to ensure that when partners are brought onboard they can work collaboratively with residents, the local authority, and the RSL (where relevant) to deliver the best possible outcomes.

5. Do you have any other comments on the threshold, scope and timing of resident ballots?

5.1 We have no additional comments.

6. Do you agree with the proposed eligibility criteria for resident ballots? Why/why not?

6.1 Estate regeneration doesn't only impact existing residents of the estate. Where an increase in the number of homes is being proposed, this can have broader positive impacts on the wider community, particularly if there is also an increase in affordable housing provision. The consultation defines eligible voters as follows:

- social tenants (including those with secure, assured, flexible or introductory tenancies) named on the tenancy agreement;
- resident leaseholders and freeholders who have been living in their properties for at least one year prior to the ballot and are named on the lease or freehold; or
- any resident who has been on the local authority's housing register for at least one year, irrespective of their current tenure.

6.2 In addition to those on the housing waiting list on the estate, where there is an increase in affordable housing – even by one home – a system should be put in place to allow people not living on the estate, but who are on the local authority housing waiting list, to participate in the ballot.

7. Do you agree that eligibility criteria should be the same for all schemes? Why/why not?

7.1 See response to question 6.

8. Do you agree with the Mayor's proposed requirements for implementing ballots? Why/why not?

8.1 We agree that ballots need to be handled independently to ensure the integrity of the process and that they should be overseen by an independent body.

9. Do you have proposals for other potential Mayoral requirements for implementing ballots?

9.1 We have no additional proposals.

10. Do you agree with the proposed exemption where the demolitions are required to deliver an infrastructure scheme? Why/why not?

10.1 It is unclear from the consultation document what would classify as an infrastructure scheme. Where infrastructure includes roads, rail (such as Crossrail), and schools there can be a number additional benefits such as an increased supply of affordable homes, along with social and economic regeneration that can transform communities. Ballots should not be required in these circumstances.

11. Do you agree with the proposed exemption where the demolitions are required to address safety issues? Why/why not?

11.1 There must be exemptions where demolitions are required for health and safety issues. The health and safety of residents, those who need to access the estate (for example for repairs or home care), and the wider community must be put first. Health and safety considerations should also include buildings that do not meet decent homes standards, are no longer compliant with current building regulations, or do not meet lifetime homes standards.

11.2 In addition, thought must be given to those buildings which may not need to be demolished immediately but will require it at a later point, for example in the next five years.

12. Do you agree with the proposed exemption where a specialist or supported housing scheme is being decommissioned by a local authority? Why/why not?

12.1 We agree with the proposals set out in paragraph 3.31.

13. Do you have proposals for other potential exemptions to the proposed funding condition?

13.1 We have no additional proposals for potential exemptions.

14. Do you agree with the proposed transitional arrangements? Why/why not?

14.1 We welcome the approach to not applying ballots to where the proposed demolitions have full or outline planning permission but believe that this should not be extended as set out in paragraph 4.3.

14.2 Retrospectively applying ballots has several risks which could impact on a scheme's long-term viability, especially if it creates uncertainty for lenders, potentially resulting in additional phases not being built out. Therefore, ballots should not be used at all if 'planning permission is varied, amended or renewed to include demolitions that were not part of the existing planning permission.'

14.3 To provide clarity, in terms of transitional arrangements, ballots should not be used in the following circumstances:

- when full or outline planning permission has been granted, even if there is a variation, amendment or renewal of planning permission;
- where there is a named project in the funding contract which has been already been signed for GLA funding;
- a ballot has already taken place; or
- a phased approach to regeneration has already begun.