

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2200

Title: Publication of 'Better Homes for Local People – the Mayor's Good Practice Guide to Estate Regeneration'

Executive Summary:

On 13 December 2016, the Mayor published his draft Good Practice Guide to Estate Regeneration for consultation. This was followed by a formal consultation that closed on 14 March 2017, structured group consultation, and consideration of further views in light of the Grenfell Tower fire in June 2017.

This decision form seeks approval to publish the final version of the Guide, entitled 'Better Homes for Local People – the Mayor's Good Practice Guide to Estate Regeneration' alongside a consultation summary report.

It also seeks approval to launch a consultation seeking views on the Mayor's proposal to introduce a new funding condition requiring resident ballots in estate regeneration schemes that involve the demolition of existing homes and where GLA funding is sought.

Decision:

That the Mayor approves:

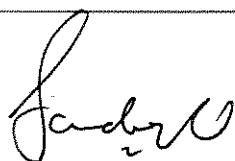
1. publication of the final version of 'Better Homes for Local People - the Mayor's Good Practice Guide to Estate Regeneration (appendix 1)';
2. publication of the Consultation Summary Report and associated report by the Campaign Company (appendices 2 and 3); and
3. the launch of a consultation on a new funding condition requiring resident ballots in estate regeneration schemes that involve the demolition of existing homes and where GLA funding is sought (appendix 4).

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

8/2/18

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1 Estate regeneration is the renewal of the social, economic and physical condition of social housing estates. There are several estate regeneration projects underway at any given time across London, and they can make a valuable contribution to enhancing residents' life chances, improving the quality of existing housing, adding new housing supply and creating other community benefits.
- 1.2 Despite these benefits, estate regeneration remains a controversial process which can generate opposition from residents and others.
- 1.3 On 13 December 2016, the Mayor published a draft 'Good Practice Guide to Estate Regeneration' for consultation. The consultation closed on 14 March 2017.
- 1.4 Responses submitted during the consultation, and views discussed through structured group consultation, have been considered. Following the fire at the Grenfell Tower in June 2017, other views were also considered. A final version of the Guide, entitled 'Better Homes for Local People – the Mayor's Good Practice Guide to Estate Regeneration', has been produced for the Mayor's approval (Appendix 1). A Consultation Summary Report has also been produced for publication, with an associated report by the Campaign Company summarising the aspects of the consultation that they undertook (Appendices 2 and 3).
- 1.5 The final Guide sets out the Mayor's proposed requirement that any GLA funding utilised in estate regeneration schemes involving demolitions should be conditional upon recipients of funding providing evidence that a positive vote through a ballot of eligible residents has been secured. The Mayor's proposals on such ballots is subject to a further consultation on the principle and detail of the proposed new funding condition (see Appendix 4).
- 1.6 This decision is for the Mayor to note and approve for publication 'Better Homes for Local People', the Consultation Summary Report and the consultation on resident ballots. After this approval, there may be minor amendments and formatting changes. However, any material changes will be re-submitted for approval prior to any of these documents being published.

2. Objectives and expected outcomes

- 2.1 The objective of 'Better Homes for Local People' is to set out the principles that the Mayor believes should be followed in estate regeneration schemes. By doing so this should improve the offer for residents, as well as the standard of consultation and engagement.
- 2.2 'Better Homes for Local People' also sets out the Mayor's proposed requirement (in schemes utilising GLA funding) that there should be a ballot of residents where demolition of existing homes is proposed, and that vote in favour of the proposals is required as a condition of GLA funding being granted. This is subject to the outcome of the consultation (Appendix 4) on a new funding condition requiring resident ballots in estate regeneration schemes.
- 2.3 The consultation proposes that the funding condition for ballots would be applied to any proposed strategic estate regeneration scheme (i.e. one that involves the construction of at least 150 homes regardless of tenure) utilising GLA funding which involves the demolition of homes owned by a social landlord. Schemes would not be subject to the funding condition where the proposed demolitions are required to: facilitate a major infrastructure scheme; address concerns about the

safety of residents; or, are part of a local authority plan to decommission a specialist or supported housing scheme. The following transitional arrangements are proposed:

- the funding condition would not apply where the proposed demolitions already have full or outline planning permission
- the funding condition would not be applied retrospectively where the GLA is already in contract to fund a particular estate regeneration scheme named in a funding contract with a Registered Provider
- the GLA will consider, on a case-by-case basis, not applying the funding condition where a ballot of residents has already taken place and secured resident support prior to the publication of this draft guidance.

3. Equality comments

- 3.1 Under section 149 of the Equality Act 2010, as public authorities, the Mayor and the GLA are subject to a public sector equality duty and must have 'due regard' to the need to (i) eliminate unlawful discrimination, harassment and victimisation; (ii) advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and (iii) foster good relations between people who share a relevant protected characteristic and those who do not. Protected characteristics under section 149 of the Equality Act are age, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage or civil partnership status (all except the last being "relevant" protected characteristics). The policies and proposals put forward in this decision have been shaped by a process of considering their impacts from an equalities perspective and the 'three needs' set out above.
- 3.2 Publication of a Good Practice Guide to Estate Regeneration is one of the proposals set out in the Mayor's draft London Housing Strategy. The impact assessment for this sets out the equalities impacts of the draft strategy's proposals, including those relating to estate regeneration, here: https://www.london.gov.uk/sites/default/files/2017_draft_strategies_housing_impact_assessment_02ks.pdf.
- 3.3 A draft equalities impact assessment of the proposed funding condition requiring resident ballots has been undertaken as part of the work to develop the consultation on resident ballots. The key findings of this assessment are outlined below.
- 3.4 The principles set out in 'Better Homes for Local People' and the consultation on proposals to require ballots for estate regeneration schemes are likely to benefit those residents who are eligible to vote by encouraging greater resident involvement in decision making in estate regeneration schemes and helping to ensure that any plans are more likely to meet residents' needs and aspirations. Londoners with certain protected characteristics (children, older people, disability, pregnancy and maternity, race, religion, sex) are likely to be over-represented amongst the groups who will be eligible to vote in ballots and so will disproportionately benefit from any positive impacts of this policy.
- 3.5 Some estate regeneration schemes may not go ahead as a result of the requirement for ballots. This could mean the benefits of such schemes, including new and affordable housing and other community benefits, would not be realised. This would adversely affect people with certain characteristics (children, disability, pregnancy and maternity, race, some religions or beliefs, sex) who are over-represented in social housing or in housing need (i.e. more likely to benefit from additional housing supply/affordable housing).
- 3.6 However, the requirement for ballots will support residents to become more actively involved in the process of estate regeneration and create a more positive and collaborative environment between residents and landlords. It could also help to give confidence to social landlords and developers at an early stage that they have resident support for their plans and provide more certainty around the

delivery of their proposals. These factors could encourage more schemes to come forward in the medium to long term. When these positive aspects of the proposal are considered alongside the Mayor's other housing policies which seek an overall increase in the level of housing, and particularly affordable housing (e.g. his draft new London Plan, draft London Housing Strategy, and Affordable Housing Programme), the Mayor considers that his policies lead to an overall increase in affordable homes in London and effectively mitigate to an acceptable level any potential negative equalities impacts.

- 3.7 The consultation proposes that some residents of estates would not have the right to vote in a ballot. This includes private tenants (unless they have been on the housing register for at least a year). The benefits of the policy to introduce ballots will therefore not accrue proportionately to Londoners with certain protected characteristics (young people, and some particular religious beliefs), who are disproportionately over-represented in the private rented sector and, in the case of young people, disproportionately under-represented on housing waiting lists. However, it is considered that other policies set out in the draft London Housing Strategy and draft new London Plan to increase the quality of homes in the private rented sector, as well as policies to increase the overall supply of housing, including private rented homes, should mitigate any potential negative equalities impacts to an acceptable level.

4. Other considerations

a) Key risks

- 4.1 The key risk is that the principles set out in 'Better Homes for Local People' are not applied to estate regeneration schemes. The changes that have been made to the guide following the consultation process should ensure that it better reflects the views of stakeholders, making it more likely that the principles will be applied. The principles in relation to estate regeneration are also supported by the draft London Housing Strategy and draft new London Plan, making them more likely to be applied.

b) Links to Mayoral strategies and priorities

- 4.2 The Mayor's draft London Housing Strategy sets out policies to increase London's housing supply, improve the quality of existing homes, and give greater protection to resident voices in the management of social housing generally, and the process of estate regeneration specifically.
- 4.3 In November 2016, the Mayor secured £3.15bn of funding from Government to support delivery of 90,000 affordable housing starts by 2021. Estate regeneration projects may receive funding through this and other routes where relevant conditions are met. Subject to the detail set out in, and the outcome of, the consultation that this MD authorises, this will include a positive ballot of residents in cases of estate regeneration that involve the demolition of existing homes.
- 4.4 The draft new London Plan sets out the Mayor's planning policies in relation to estate regeneration.

c) Impact assessments and consultations.

- 4.5 This decision approves the result of a consultation process. It also approves a further consultation on a new funding condition requiring resident ballots in estate regeneration schemes.
- 4.6 In addition to the equalities impact considerations outlined in section 3, due regard has been paid to the potential impact of the proposals on the supply of housing, including affordable housing.

5. Financial comments

- 5.1 There are no direct financial implications resulting from this decision.
- 5.2 Following an approval of 'Better Homes for Local People - the Mayor's Good Practice Guide to Estate Regeneration', any future applications for funding from the Affordable Homes Programme 2016-21 for estate regeneration schemes will be determined for adherence to the funding condition requiring a positive ballot of residents, subject to the outcome of the consultation on the new funding condition requiring resident ballots in estate regeneration schemes, and subsequently will qualify to secure funding from the GLA.
- 5.3 Estate regeneration applications will draw down from the existing GLA funding as there is no dedicated funding source envisaged to be set-up for this purpose.

6. Legal comments

- 6.1. This Decision approves the publishing of 'Better Homes for Local People – the Mayor's Good Practice Guide to Estate Regeneration', in which the Mayor sets out the principles he considers should be followed in estate regeneration projects. The guide also sets out the Mayor's proposal for making GLA funding utilised in certain estate regeneration projects conditional upon a commitment to carry out a ballot of eligible residents in which there is a vote in favour of the proposals. The guide and the proposed funding condition are both considered to be within the Mayor's powers as set out below.
- 6.2. Section 30 of the Greater London Authority Act 1999 (as amended) ("GLA Act") gives the Mayor a general power to do anything which he considers will further one or more of the principal purposes of the GLA. The principal purposes, as set out in section 30(2), are: (a) promoting economic development and wealth creation in Greater London; (b) promoting social development in Greater London; and (c) promoting the improvement of the environment in Greater London. It is considered that 'Better Homes for Local People' will further all three principle purposes to some extent but will particularly aid in the promotion of social development.
- 6.3. Given section 30 of the GLA Act as set out above, the GLA's housing and regeneration functions contained in Part 7A of the GLA Act and section 34 of that Act, which allows the Mayor to do anything which is calculated to facilitate, or is conducive or incidental to, the exercise of any of his functions (including his functions under section 30), and section 333A(3)(b), (4) and (10), the GLA is empowered to provide financial assistance for the purpose of the recipient providing social/affordable housing. In what manner and upon what conditions the Mayor/GLA provides financial assistance is a matter within his discretion subject to ordinary public law principles such as fairness and rationality. It is therefore open to the Mayor to impose a condition on funding requiring funding recipients to provide evidence of ballots as proposed.
- 6.4. In determining whether or how to exercise the power conferred by section 30(1) of the GLA Act, the Mayor must:
 - (i) have regard to the effect that his decision will have on the health of persons in Greater London, health inequalities between persons living in Greater London, the achievement of sustainable development in the United Kingdom and climate change and its consequences (sections 30(3-5) of the GLA Act);
 - (ii) pay due regard to the principle that there should be equality of opportunity for all people (section 33 of the GLA Act); and
 - (iii) comply with the Public Sector Equality Duty; namely to have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it and foster good relations

between persons who share a relevant protected characteristic and persons who do not share it (section 149 of the Equality Act 2010).

- 6.5. In addition to the above, where the Mayor is proposing to use the power conferred in section 30(1) of the GLA Act, the Mayor must consider consulting in accordance with section 32 of the GLA Act.

7. Planned delivery approach and next steps

- 7.1 'Better Homes for Local People – the Mayor's Good Practice Guide to Estate Regeneration', the Consultation Summary Report and consultation on a new funding condition requiring resident ballots in estate regeneration schemes will be published shortly after this decision.

Appendices and supporting papers:

Appendix 1 – 'Better Homes for Local People - the Mayor's Good Practice Guide to Estate Regeneration'

Appendix 2 – Draft Good Practice Guide to Estate Regeneration: Main consultation summary report

Appendix 3 – Draft Good Practice Guide to Estate Regeneration: Report by the Campaign Company of structured group consultation

Appendix 4 – Consultation on a new funding condition requiring resident ballots in estate regeneration schemes

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:**Is the publication of Part 1 of this approval to be deferred? YES**

If YES, for what reason: The Good Practice Guide, Consultation Summary report and consultation on ballots will be published on 2 February 2018 and publication of the policy decision to require ballots, and of the Guide in the appendix of this document, will pre-empt that.

Until what date: (a date is required if deferring) 2 February 2018

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer
to confirm the
following (✓)

Drafting officer:

Dominic Curran has drafted this report in accordance with GLA procedures and confirms the following: ✓

Sponsoring Director:

David Lunts has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities. ✓

Mayoral Adviser:

James Murray has been consulted about the proposal and agrees the recommendations. ✓

Advice:

The Finance and Legal teams have commented on this proposal. ✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 29 January 2018.

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

M. D. Allen

Date

25.1.18

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

D. Bellamy

Date

25/1/2018.

