

Response to the Mayor's draft Estate Regeneration Best Practice Guidance



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Mayor's manifesto commitment

"Require that estate regeneration only takes place where there is resident support, based on full and transparent consultation."

Summary

The draft guidance gives no reassurance that the Mayor's pledge to estate residents will be fulfilled. The document is very unclear how, in practical terms, councils and landlords need to act in order to qualify for Greater London Authority (GLA) funding, or to win the Mayor's support for planning applications.

Worse, it is almost useless as a resource for residents who want to hold their councils and landlords to account, take part in developing and putting forward positive new ideas to improve their areas or have a meaningful say in whether their homes are demolished.

It doesn't define transparency or include any measureable goals – not even one that says it aims to reduce the number of homes demolished as the Mayor has promised.

These failings are so severe that this draft guidance document needs rewriting from scratch. The Mayor's team should work with estate residents to ensure their homes are protected from demolition, their views are respected and their ideas enabled by the final guidance.

Introduction and background

The need for a new policy on estate 'regeneration' is urgent. The huge problems being caused by current plans for estates across London were highlighted by the 2015 London Assembly Housing Committee report *Knock it down or do it up*.¹ And data from the Mayor provided to Assembly Members has shown that the net loss of London council homes through schemes already given planning permission is nearly 8,000.²

The Mayor's draft guidance was published on 13 December 2016, after the announcement of a new £3.15 billion housing funding deal for London.³ With this deal, the Mayor is able to support new social housing in London with much more generous grants than have been available previously. The Mayor estimates that 31,500 new council and social rented homes will be supported by these grants between now and 2021.

The Deputy Mayor for Housing and Residential Development has assured me that no restrictions have been imposed by the Government to stop him making grants from this fund conditional on councils and landlords meeting certain standards.

This leaves the Mayor free to require conditions are met to involve residents fully in estate plans and gain their support for any demolition plans, as promised in his manifesto.

In September 2016 I wrote to the Deputy Mayor proposing a set of principles for estate regeneration that should be included in his new guidance. These were:

1. No residents excluded from involvement in making plans for the area
2. Full transparency for information on the current state of estates and the basis for new plans
3. Early and wide engagement with residents, when the goals of the regeneration are still open to change
4. Expert support for residents to develop their own plans for their areas
5. A meaningful final say and real decision-making power over the final options, ideally with a ballot for all residents

See Appendix A of this response for more details, along with a draft process I proposed for involving residents and including their ideas in new plans.

Key problems with the draft guidance

1. No ballots required

The Mayor's manifesto commitment is clear that resident support is required for any plans to go ahead. It is therefore very disappointing to see the guidance cautions against ballots and – even worse – makes no requirement on landlords for any quantitative or binding final say for residents of estates.

I have put this problem at the start of my response because a final say over the options chosen for their estate is the foundation of any meaningful engagement with residents. People cannot be expected to trust in the process at the start if they are not assured that they will be able to decide at the end.

The guidance must require an independently carried out, quantitative assessment of residents views – with a ballot as the preferred method – before GLA funding is granted to any estate.

2. No support for resident-led plans

Existing residents on estates are the best placed people to suggest what might work to improve their estates or add more homes. Across London, groups of residents are making heroic efforts, supported by local fundraising and professionals working for low rates or no pay at all, to put together resident-led proposals and 'people's plans'.

In my earlier letter I said that residents' own plans and ideas for their estates should receive practical support from the Mayor. Their ideas should be sought at the earliest stage of the plans, and developed with independent funding and expert support provided via a unit in City Hall. This would build pan London expertise in this work and experience in engaging with residents.

I recommended that this unit should be funded by contributions from developers or by the GLA, I also warned that if this was left to developers and councils to arrange it would lead to lower levels of trust from residents.

I am very disappointed that the draft guidance makes no reference to resident-led plans or providing independent expert support to help develop these. Where it does talk about resident support from experts, this is only in terms of engaging with the council or landlord's plans not producing their own (paragraph 37):

"Residents should be empowered by ensuring that they have meaningful input into as much of the discussion and decisions as possible around issues like design, scale and tenure. Often residents will need help and support to be able to engage more effectively in decisions about the regeneration process."

This gap in support for empowering residents to make their own plans must be put right in the final draft of this document, with new recommendations backed up by real resources to help residents engage independent, professional support for their ideas.

3. No clarity about how the guidance is to be used

This problem runs throughout the document. The guidance appears to have been written only for landlords and not for residents. It offers no clarity or substance for residents needing advice to help them put forward alternatives or defend their homes against demolition.

In particular:

- It is disastrously unclear about what specific actions landlords are expected to take before funding is awarded by the GLA
- It offers no clarity on the three stages of decision-making on options (setting goals, choosing options to develop and making a final choice of option to pursue)
- It draws no distinction between what will be used as a condition for funding, what is recommended by the Mayor to increase the chances of support at the planning stage and what is merely guidance in applying the law

It also fails to explain the separate planning and funding processes or how these will be dealt with by the Mayor, and the unclear wording throughout the document makes this problem worse.

It's impossible to see how residents will be able to glean from this document what is required of their councils or landlords at each stage of decision making in the funding and planning processes.

The structure and language of the guidance needs reconsidering from first principles, with a complete rewrite that makes clear how it will be used in decision making.

I recommend that residents and grassroots groups are consulted about what they need from the Mayor in order to understand these processes and to know how they can expect to be included in decisions.

The matrix shown in the table below illustrates the different levels of decision and the different process that need to be explained.

Clarity needed on how and when the guidance will be used as a test:

	Option selection process	Planning process	Other processes – e.g. compulsory purchase
Funding conditions	Conditions for funding		Conditions for funding
Given weight in Mayoral planning decisions*	Good practice guidance	Good practice guidance	
The law	Clarity in applying the law	Clarity in applying the law	Clarity in applying the law

* I understand that during the planning process itself any requirements can only be guidance not policy until a new London Plan or supplementary planning guidance is in place. However I believe that the Mayor’s judgement on whether alternative options have been considered properly can be used to judge whether a scheme complies with current planning policy.

As an example of how the clarity of the guidance could be improved, I have drafted a diagram (see Appendix B) showing how the Mayor might set out the process for deciding on options, and the conditions he will set on that process in order to award funding to a project. It is intended to be used by both residents and landlords.

A similar diagram could be produced for the planning process, showing where and how compliance with the Mayor’s guidance will influence Mayoral planning decisions, with more details on each of the conditions provided in supporting text.

The Mayor should write new supplementary planning guidance to clarify London Plan policies that already exist and how they will be interpreted in the case of estates. This would be very useful ahead of new London Plan policies, which will not be fully in force for around two years.

Other improvements needed in the final draft

Measurable goals for the guidance

The impact of estate regeneration schemes in the past has been to demolish many thousands of council homes and not to fully replace them in new schemes. This has led to a net loss of thousands of social rented homes across the city.

The Mayor's new guidance could help to put this right in future schemes and his manifesto is clear that these are his aims.

However, the Mayor has admitted to me that he cannot even say how many development schemes that have already had planning approval through his office have involved demolition or how many homes have been demolished.⁴ If this is the case, how can Londoners and Assembly Members hold him to account on his manifesto pledge?

In order for the effectiveness of the guidance to be evaluated, it must include measureable goals.

In addition, the data recorded by the GLA should ensure that the success of the guidance can be monitored.

The goals in the revised document should include that the guidance is intended to keep demolition and displacement of residents down to measurably low levels, see new homes created with no net loss of social rented housing across schemes planned in future, and feature a clear aim for a high proportion of plans taken forward to have originated from local communities.

Defining transparency

The terms 'transparent' and 'transparently' are used several times in the draft guidance: in paragraphs 2, 5, 6, 18, 20 and 23 and in the first recommendation in the pink boxes under both the aims and consultation headings. However, neither what this requirement means nor how residents can enforce it are defined anywhere in the document.

Paragraph 20 makes some attempt at a definition, but in terms that suggest transparency is only needed after decisions are made (even though it also says 'as early as possible'). This is very poor and unclear drafting:

"Transparent – all the issues and options should be set out in clear, understandable language, with information that has influenced any decisions being shared as early as possible;"

It is also disappointing that there is no mention of the public interest when transparency is discussed. Including these words would provide a powerful 'hook' into Freedom of Information legislation, reducing the ability of councils and developers to hide the important information needed to test and challenge their calculations and conclusions.

My earlier recommendations also asked for non-technical summaries to be provided alongside published documents to help residents understand and assess them, saying:

"Information, including business cases and viability assessments, should be provided in an accessible format online, and technical documents should be accompanied by a non-technical summary."

This suggestion has been taken up by the government in its new guidance document, which says:⁵

“Where residents need to assess options, all financial and other information they need to make informed decisions should be made available to them. Plans and business cases should be available in an accessible format in non-technical language.”

The Mayor’s draft document does not make any reference to this requirement, potentially weakening this policy by providing developers and councils with a get-out from the national guidance. This must be put right in the final draft.

Clear and simple guidance on appraisal

Too often we see councils issuing the conclusions of their assessment of different options in a vague or misleading format, without details and without allowing for proper scrutiny either by residents or opposition councillors.

The draft guidance has missed a real chance to define a standard appraisal process for housing schemes. Instead it says in paragraph 5:

“The approach taken will differ from project to project depending on factors that include: the existing characteristics and quality of an estate; the financial resources available; any regeneration or redevelopment plans that affect the wider area; and the wishes of residents and other stakeholders.”

I completely disagree with this. On the contrary, a standard approach to appraisal will bring improved transparency and consistency to these decisions and enable much better scrutiny, both within a scheme and between schemes across London. Paragraphs 6 and 7 that follow the extract above are very vague and simply list some elements that could be ‘considered’.

The final draft should include clear guidance on how to produce and report on a cost-benefit analysis and the appraisal of other impacts to allow different options to be compared.

This process of appraisal should include not just an economic assessment but also the anticipated social and environmental impacts, and be carried out to compare the situation before and after each option (including ‘do nothing’) over a long enough period that allows all the impacts to be clear.

It should include:

- **Embodied carbon where demolition is proposed.** The brief comments on embodied carbon in the draft are welcome, but it does not say how this should be measured.
- **Social impact assessments.** It should include estimates for displacement and likely outcomes for residents who are not rehoused onsite including leaseholders and private tenants.
- **A measure of the impact of the development period itself.** Current summaries only compare the ‘before’ and ‘after’ scenarios without taking into account the loss of

social housing during the building phase, or the impact of this on the rest of the council's stock of homes. When scheme timescales are very long this impact can be very significant.

To achieve this, the Mayor could set out a simple, consistent format for something similar to the 'appraisal summary table' (AST) used widely in transport and environmental scheme appraisals.⁶ I recommended in a recent letter on demolition to the Deputy Mayor how a version of the AST might work in estate regeneration.

Different levels of detail and estimation should be required at different stages of option selection, with the most detail required at the stage of the final ballot.

Plans for monitoring and review

The draft has some useful words on this – including a fairly clearly worded requirement to follow up on outcomes for displaced residents – and these should be preserved in the final draft.

The final guidance should also include a requirement to report these outcomes back to the Mayor in a standard format, in a way that ensures the social impact across London can be assessed.

References

¹ Knock it down or do it up. London Assembly Housing Committee, Feb 2015

https://www.london.gov.uk/sites/default/files/gla_migrate_files_destination/KnockItDownOrDoItUp_0.pdf

² Estate regeneration to cause large loss of affordable housing. Darren Johnson (former AM), Feb 2016

<https://www.london.gov.uk/press-releases/assembly/darren-johnson-past-staff/loss-of-social-housing-through-estate-regeneration>

³ Affordable homes programme 2016-21. Mayor of London, Nov 2016 <https://www.london.gov.uk/what-we-do/housing-and-land/homes-londoners/homes-londoners-affordable-homes-programme-2016-21>

⁴ Mayoral approvals for demolition MQ 2017/0494. Feb 2017, page 58 of Appendix 3 - written answers:

<https://www.london.gov.uk/moderngov/ieListDocuments.aspx?CId=183&MId=6043>

⁵ Estate regeneration national strategy: resident engagement and protection. DCLG, Dec 2016

<https://www.gov.uk/government/publications/estate-regeneration-resident-engagement-and-protection>

⁶ Example AST from Defra on flood schemes:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/487235/LIT_10349.pdf

Appraisal Summary Table guidance from the Department of Transport:

<https://www.gov.uk/government/publications/webtag-appraisal-tables>

APPENDIX A – MY ORIGINAL RECOMMENDATIONS

The five principles for resident involvement set out in my letter to the Deputy Mayor for Housing in September 2016 were:

1. No residents excluded from involvement in making plans for the area
2. Full transparency for information on the current state of estates and the basis for new plans
3. Early and wide engagement with residents, when the goals of the regeneration are still open to change
4. Expert support for residents to develop their own plans for their areas
5. A meaningful final say and real decision-making power over the final options, ideally with a ballot for all residents

The process I recommended for ensuring residents are empowered and resourced to create their own plans and ideas is also copied from my letter here.

A democratic, transparent and engaging process that allows for the sifting and assessment of all ideas during the early stages of the proposals might include the following steps:

- a) Draft goals of the project are put forward, alongside initial options from developers/councils and with a call for comments on the goals and ideas for alternative options.
- b) A range of consultation events and workshops take place with residents, the wider community and local groups.
- c) Additional proposals for new or revised goals and all the proposed options for outline plans are collated, written up in a common format, and communicated to residents.
- d) A public hearing takes place, led by an independent person who hears representations from local residents on the goals of the plans, and from any group promoting or opposing any of the proposals, including developers and councils.
- e) The independent person then makes recommendations for any revised goals and for a shortlist of likely practicable options to be put forward to the next stage.
- f) The sifted ideas are then developed further, by councils and developers and by the community with the help of experts.
- g) More detailed plans and business cases, taking into account social and environmental goals not just the economic case for different proposals, are then produced.
- h) These final options are put forward for a final decision by residents before being submitted for planning permission and other approvals.

https://www.london.gov.uk/sites/default/files/letter_estates_guidance_james_murray_sep_2016_final.pdf

APPENDIX B – EXAMPLE DIAGRAM

Conditions for funding: choosing options for estate improvements

