

Title: Briefing – “Better Homes for Local People: The Mayor’s Good Practice Guide to Estate Regeneration”

Discussion Report

Recommendations: The DMC is asked to consider the briefing and comment on the Mayor’s Guide to Estate Regeneration, including the proposal for resident ballots on estate regeneration schemes that involve the demolition of existing homes.

Report Summary

This report provides a summary of some of the key elements of the Mayor’s Good Practice Guide to Estate Regeneration released in February 2018 and how they relate to Camden’s approach to resident engagement as part of the Community Investment Programme (CIP).

1. Introduction

Following the draft consultation document published at the end of 2016, the final Mayor’s Good Practice Guide to Estate Regeneration titled “Better Homes for Local People” (“the Guide”) was published on 2nd February 2018¹. It sets out the Mayor’s view of how estate regeneration should be approached:

“The Mayor believes that for estate regeneration to be a success there must be resident support for proposals, based on full and transparent consultation from the very start of the process and meaningful ongoing involvement of those affected”

Camden is in agreement with this statement, and believes that our existing approach is consistent with both the values and the approach of the Guide.

The Guide indicates that by the term “estate regeneration” they include any activity ranging from refurbishment and intensification to demolition and rebuilding.

In the Guide, the Mayor indicates his support for the principle of requiring resident ballots in estate regeneration schemes which involve the demolition of existing homes. This proposal is subject to an open consultation, which will run until 3rd April 2018. Camden supports the introduction of ballots as part of a comprehensive engagement and consultation process for major estate regeneration projects which include demolition. Camden is confident of our commitment to involve residents at every stage of estate regeneration, and it is therefore right that residents should have the opportunity to agree the proposals for a scheme and the offer being made to them.

¹ <https://www.london.gov.uk/sites/default/files/better-homes-for-local-people-the-mayors-good-practice-guide-to-estate-regeneration.pdf>

The consultation is open to all stakeholders to contribute to, and alongside providing comments to inform the development of the Council’s formal response, the Council encourages DMCs to make their own consultation submission.

2. Camden’s Approach to Estate Regeneration

Camden has a strong track-record of building council homes, community facilities and schools through our Council Community Investment Programme (CIP). The approved CIP programme represents £1bn of investment in Camden – building new genuinely affordable homes, new schools and new facilities for everyone. For all our housing regeneration the Council has been the developer and this is our preferred approach. To date we have built 356 homes for sale, which have funded the development of 308 affordable homes (229 Council homes, 13 shared ownership, 66 Camden Living Rent), new residential training facilities for homeless people, and invested £89m of funding into our schools and children’s centres.

At the heart of the CIP are our residents – ensuring that the homes they live in are safe, warm and genuinely affordable. Through the CIP we are investing in a range of community infrastructure guided by and in partnership with our residents. Developing CIP projects ourselves allows the Council to work with residents at the start of a potential scheme to understand how residents are living now and their priorities for improvement. They are involved from the outset in schemes to ensure that they address local issues – whether that is building larger homes for growing families, delivering new genuinely affordable homes for workers on lower incomes, designing streets to reduce crime, building a new school or health centre, or designing in a new playground in a proposed scheme.

We are continually working to identify ways to engage our residents in the process of building new homes. These range from residents helping to select architects, co-developing decant strategies, paying for residents to attend design and construction courses so they can fully participate in the design of schemes.

We are developing the Camden People’s Regeneration Pledge that reinforces our already very strong commitment to residents as part of our existing CIP Pledges. The Regeneration Pledge will build on our existing approach to clearly set out how we develop proposals to improve estates together with residents. This is founded on our commitment to protect and improve existing council homes and build new council homes. As part of our renewed pledge, we will make sure we have the support of the majority of residents before a scheme proceeds. The key elements of our existing CIP Pledges are that:

- There will be **no net loss** of council homes in Camden - **more** council homes will be built under the CIP as well as new genuinely affordable homes for key workers and those on low incomes.
- We are creating **mixed developments** of social housing, Camden Living rent and private homes because we want to maintain Camden’s unique social mix and ensure the borough remains **a place for everyone**.
- Camden tenants **will not be moved out of the borough** during regeneration and will be given priority on new council flats built.
- We will only build private homes to fund regeneration. **All of the money** raised from sales or development will be recycled into building new Council and genuinely affordable homes and other community facilities as part of CIP or used to help fund improvements to existing council homes through our Better Homes Programme.
- Homes for sale will be marketed first to local people and key workers. **Leaseholders will be compensated** for loss of their property at market value plus 10%. If they wish

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to buy into the new scheme, where the new property is more expensive than the sale price of their existing home, they can access a shared equity scheme where the Council will not charge rent on the uplift.

- Tenants will have a **key role** in the design of new flats, which will replace ones which are old, damp, have poor electrics and heating.
- Residents will **receive financial support to help move**.
- Council homes will not be auctioned.
- Council tenancies **will be secure**. This means that council tenants will remain Camden council tenants. Camden **believes in Council housing** and does not want short-term tenancy conditions in Camden.
- New homes will be covered by the council rents policy, so there will be no change to the existing payment structure agreed with tenant representatives annually.
- Our firm rule is that council homes should **not** be replaced by housing association flats.

Alongside these pledges, we create with our residents local, scheme-specific lettings policies that inform both the approach to decanting residents, and the approach to bringing people back when the homes are finished. Some of our local lettings policies have included providing opportunities for adult sons and daughters of Council tenants living with their parents to access Council tenancies to ensure that they remain in Camden and close to their families. These policies ensure those local residents living on an estate or nearby see the benefits of the schemes.

We have also ensured through local lettings policies that tenants occupying studio or bedsit accommodation are returned to one-bed homes when the development is completed. We work hard to make sure that estate regeneration works for everyone.

Camden Council is proud of its track record of working with residents, and we will be participating in the Mayor’s consultation as we feel we have significant amounts of relevant experience to contribute.

3. Summary of the Key Points of the Good Practice Guide to Estate Regeneration

Whilst the document is framed as a “guide”, it will carry significant weight, both for the Council and in determining resident expectations of the process by which they will be engaged in any potential estate regeneration scheme.

The Mayor has indicated that he will seek to ensure that the best practice contained within the Guide is applied to all estate regeneration schemes across London. As a result, compliance will form part of eligibility and receipt of Greater London Assembly (GLA) grant funding, and where the Mayor has a statutory planning role in an estate regeneration proposal (for schemes over 150 units or where the development is over 30m in height), he has made clear he will seek a demonstration of compliance with the Guide.

The Mayor has also indicated that whilst the London Housing Strategy is currently being revised following consultation, the final version will be updated to include reference to the policy approach highlighted in the Guide. The Greater London Authority Act 1999 specifies that local authority housing policies must be in general conformity with the London Housing Strategy.

Camden is confident that the approach we have taken to the CIP is consistent with the principles and policies contained within the Guide. A summary of some of the key points of the Guide are included below, annotated with reference to Camden’s existing CIP pledges.

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- Where proposals include the demolition and replacement of homes, the Mayor believes that those social tenants affected should be guaranteed full rights to return

Note: Camden guarantees the rights of tenants moved as part of estate-led regeneration the right to return as secure tenants when regeneration is complete. The Council also adopts Local Lettings agreements for each estate that provide first call on new homes available to let after Right to Return lettings have been completed, to existing residents of the estate in housing need (who were not moved as part of the regeneration project) before properties are released for general letting.

- Other options should be looked at alongside demolition and if demolition is chosen as a way forward, then affordable homes should at least be replaced on a like for like basis and increased wherever possible

Note: As part of our CIP pledges, Camden guarantees that there will be no net loss of Council housing as part of schemes. Camden is building additional Council housing as part of CIP, alongside replacing older Council housing with improved homes.

Note: Camden has refurbished housing stock as part of CIP rather than demolishing. At Holly Lodge we refurbished largely empty, old, poorly lit and poorly heated bedsits to provide 85 new homes – 42 for Council rent, 13 shared ownership and 30 open market sale. Alongside this the CIP scheme also provides funding for the Better Homes programme – helping to pay for internal and external works to 22,500 other Council homes.

- The Mayor conducted resident meetings in Brent, Camden, Hackney and Lewisham as part of the consultation for the guide. There was a broad support across the resident engagement for the following being key elements of any estate regeneration scheme:
 - Deliver safe and better quality homes for local people;
 - Increase the overall supply of new and affordable homes; and
 - Improve the quality of the local environment through a better public realm and provision of social infrastructure (e.g. schools, parks or community centres).

Note: these are consistent with Camden’s priorities and the pledges made to residents as part of CIP.

- The Mayor indicates that residents should be involved at every stage of estate regeneration and that consultation should be transparent, extensive, responsive and meaningful. Some of the suggested consultation activity for Council’s include:
 - **Direct proactive engagement of a wide group of residents** – e.g. through surveys, votes, and door-to-door conversations;
 - **Involvement of residents in developing the details of proposals** – e.g. through specialist resident committees, forums, and workshops; steering groups with resident representation, and meetings with Tenant and Resident Associations and neighbourhood forums; and
 - **Broader opportunities for residents to be kept updated and engaged** – e.g. through drop-in days and public meetings; letter, email and newsletter updates; and web based consultation tools, such as Commonplace or Online forums, such as Facebook pages for the estate.

Note: Camden fed into the original draft guidance and helped shape the above which is in line with our approach. Camden’s preferred model is for the Council to directly develop CIP schemes. This means that we can involve residents from the start to ensure that any proposals address local issues and bring community benefit. Residents are involved from start to finish including helping to select architects, co-developing decant strategies and local lettings policies, critiquing designs and challenging the Council to provide additional community facilities such as play areas, helping to design kitchens and bathrooms, and helping to ensure that the decant and return move are as smooth as possible.

- Councils, housing associations and their partners should provide independent capacity building and advocacy support for residents if they request it. This could include advising tenants on their rights, supporting residents in negotiating with their landlord, or helping residents ‘skill up’ and be involved in the process of selecting a development partner.

Note: Camden has funded a number of Council tenants to attend design and construction courses so that they can fully participate in design and material choices for programmes. Camden also works as part of our apprenticeship scheme to ensure that there are opportunities for local people to benefit from the employment that our schemes generate.

- Residents should be given an opportunity to select their own independent tenant and leasehold advisors.
- The owners and operators of businesses on estates should be engaged in regeneration process, giving weight to the importance of minimising disruption to those businesses and retaining local employment opportunities.
- Councils could seek to establish Resident Charters – a clear set of commitments that the local authority will adhere to a regeneration scheme. These could be individual to a scheme or across multiple projects or a programme.

Note: We have codified our commitments to residents as our CIP pledges, which were established at the outset of the CIP programme in 2011. As stated above, Camden will be revising and refreshing these as part of the development of the Camden People’s Regeneration Pledge.

- Options appraisals should be open and transparent. These documents should, in public, include the following:
 - The rationale, aims and objectives of the project
 - The factors that have informed the development of the options including the financial resources available, regeneration or redevelopment plans that affect the area and the consultation feedback of residents and stakeholders
 - Including technical and financial appraisals that have influenced options in an accessible format
 - Assess the full range of social, economic and environmental costs and benefits of different options including:
 - Any expected costs or savings resulting from rent changes, service changes, energy bills etc.
 - Cost to residents health of poor quality housing
 - Financial cost to the landlord of maintaining existing homes to a reasonable standard

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- The number of households who might not otherwise have a home, or an appropriately sized home, if regeneration does not proceed
 - The cost of disruption to residents lives for the duration of the project
- Set out options that have been discounted as unviable or undeliverable
- Set out the role that tenants and leaseholders have played in bringing forward the options
- Where demolition is pursued, the regeneration scheme must replace homes on a like-for-like basis with homes at social rent levels being replaced by homes at the same rent levels.

Note: this is consistent with Camden’s commitment to no net loss of Council homes as part of CIP, and guaranteeing residents the right to return as a Council tenant to a new home on a secure tenancy. Replacement council homes are let at Camden target rents. Tenants moving in to high quality and sometimes larger new homes may pay a higher rent than on their old home, although tenants are likely to benefit from significantly lower energy bills in their new flats.

- Like-for-like replacement may be achieved over multiple sites however the Mayor will closely scrutinise planning applications and only agree where he is convinced that the housing is genuinely being re-provided and no better option is available. Like-for-like replacement can also be assessed on floorspace where there is evidence of changing need (e.g. changing many one-bed properties into larger family units).

Note: All CIP projects on estates approved to date involve both an increase in number of council homes and an increase by floor space. For example at Agar Grove we will build 6 additional council homes and 210 replacement homes but this represents an increase in council rented floorspace of 33%.

- Councils and housing associations should look to increase the number of affordable homes as part of an estate regeneration scheme by building at higher densities wherever possible. Where estate regeneration involves building affordable homes in addition to those needed to rehouse any tenants whose homes are demolished, landlords should adopt local lettings policies for new affordable homes for rent to help ensure that local people benefit from the additional homes being built.

Note: Camden drafts local lettings policies in consultation with residents for all CIP schemes. These provide a clear basis for access to homes during decant for existing tenants, first priority for existing tenants to return to the newly constructed Council homes, and how new Council housing is allocated.

- Upon their return, householders who are currently overcrowded should be offered homes large enough for their needs and should not be offered homes which if accepted would result in overcrowding.
- Under occupying households should not necessarily qualify for a new home upon return with the same number of bedrooms. Councils may choose to limit the number of bedrooms offered to a maximum of one greater than their assessed need.
- Landlords should seek to offer the maximum home loss compensation permitted by legislation to tenants who meet the statutory criteria and who are displaced from their

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homes due to estate regeneration. Landlords should pay for the ‘disturbance costs’ of moving home.

Note: The Council adopts Local Lettings agreements for each estate that provide first call on new homes available to let after Right to Return lettings have been completed to existing residents of the estate in housing need (who were not moved as part of the regeneration project) before properties are released for general letting. Right to returners, and second call residents are re-housed according to their housing need at the point of return/letting. Paying both compensation and disturbance costs are a core part of our longstanding CIP pledges

- Councils and landlords (where the council is not both) should work together to make sure that private tenants on estates being considered for regeneration are aware of their options and rights, including signposting them towards alternative housing options.
- Where it is necessary to acquire homes owned by leaseholders and freeholders, landlords should always seek to do so by negotiation in the first instance. This can help avoid a time consuming compulsory purchase process, which creates uncertainty for the household and can lead to significant delays in the project. Market value (plus home loss payments where appropriate) should be offered in good faith in the first instance.

Note: Camden offers leaseholders market value plus 10% for their homes in first instance.

- Councils and housing associations should offer resident leaseholders and freeholders the right to a new home on the regenerated estate through at least the following options:
 - a shared equity basis, where the resident leaseholder or freeholder owns a proportion of the new home equivalent to the market value of the property that they gave up, with no rent payable on the remaining ‘unsold’ share. The resident leaseholder or freeholder should be allowed to retain any uplift in the value of their share of the new property between the point of purchase and any eventual sale
 - a shared ownership basis, where the resident leaseholder or freeholder owns a share of a new affordable home, is able to increase the share owned over time, and may pay rent on the remaining share to the council or housing association in the meantime.

Note: Camden offers resident leaseholders the first option - of purchasing the portion of the new home to the equivalent of the market value of the property that they gave up, with no rent payable on the remaining ‘unsold’ share.

4. Summary of the Proposed Ballot Scheme

The Mayor has published an outline ballot policy proposal on which they are consulting and inviting local authority, stakeholder and resident views. A summary of some of the key elements of the proposed ballot criteria and structure are included below:

- Ballots would be mandatory for schemes utilising GLA funding, or involving the construction of more than 150 homes regardless of tenure, only if the social landlord also proposes to demolish any affordable or leasehold homes
- A ballot would not be the end of consultation but a milestone within it

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- A ballot would be a yes/no vote on the landlord’s offer to residents and the offer should include enough information for residents to make an informed decision
- A ballot would take place prior to the procurement of a development partner and/or the specification of works
- A further ballot would not be required to approve a development partner or the adoption of a masterplan
- The Mayor expects landlords to honour the outcomes of ballots. This means landlords’ offers to residents should be fulfilled. The Mayor proposes that the new funding condition will allow for the GLA to clawback funding if it considers that a landlord’s offer deviates materially from that agreed in a ballot
- A proposal for estate regeneration that secures a positive vote in a ballot will still need to seek approval through the planning process.
- The Mayor proposes that ballots would be open to all residents on an estate that meet one or more of three eligibility criteria:
 - 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.
- Individuals who meet more than one of the eligibility criteria would only receive one vote. It is proposed that there is no limit on the number of eligible voters per household.
- Businesses would not be eligible to vote in a ballot.
- To be clear, it is proposed that private tenants on an estate would only be eligible to vote in a ballot if they have also been registered on the local authority housing register for at least one year.
- The Mayor proposes that a yes vote is one where a simple majority of those voting are in favour of the estate regeneration proposal.
- There are proposed exemptions to the ballot for example:
 - Where proposed demolitions are required to facilitate major infrastructure schemes, particularly transport schemes
 - Where the proposed demolitions are in response to safety concerns for residents
 - Where a specialist or supported housing scheme is being decommissioned by a local authority
- Funding conditions and a requirement to ballot will not apply to schemes which have full or outline planning permission
- The funding condition will not apply retrospectively, meaning that where the GLA is already in contract to fund a scheme, ballots would not be mandated unless a significant change was proposed to the scope of the scheme

The full ballot proposal document is [available online](#) and the consultation is open until 3rd April 2018. Following consideration of the proposed ballot policy Camden Council will be submitting a formal consultation response which it will share with DMCs as part of a further report to the next round of meetings.

BRIEFING ENDS