

Knock it Down or Do it Up?

The challenge of estate regeneration

February 2015



Housing Committee Members

Darren Johnson (Chair)	Green
Tom Copley (Deputy Chair)	Labour
Andrew Boff	Conservative
Nicky Gavron	Labour
Stephen Knight	Liberal Democrat
Steve O'Connell	Conservative
Murad Qureshi	Labour

Contact:

Lorraine Ford
Email: housingcommittee@london.gov.uk
Tel: 020 7983 4000

Media Contact:

Ash Singleton
Email: ash.singleton@london.gov.uk
Tel: 020 7983 5769

Cover photo: Green Man Lane Estate, Ealing
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Foreword



In the past decade, few areas of housing policy have been as controversial as estate regeneration.

Fifty estates with over 30,000 homes have undergone regeneration schemes in the past decade. While the total number of homes on those estates has now almost doubled, there has been a net loss of some 8,000 social rented homes.

The costs and benefits of each individual scheme have been contested. One of the most divisive questions is whether to demolish or refurbish the existing homes. The trade-offs associated with demolishing council homes to build a greater quantity of more expensive homes are seen by some as realism, and others as social cleansing.

Opponents of estate demolition and rebuild schemes were prominent in the recent March for Homes. They argue that homes are unnecessarily demolished with a large loss in social housing, sometimes moving working class tenants to other parts of London or the UK and replacing their homes with large quantities of private market housing. Some feel this is a deliberate policy.

On the other hand, the Mayor and housing providers argue that the homes are often in a bad state of repair, and that refurbishment would either be too expensive or impractical. Their plans to regenerate estates have seen a significant increase in overall numbers of homes, and they point to improvements in the living conditions of remaining tenants.

During the course of this investigation we heard from all sides of the debate. We visited estate regeneration schemes, quizzed councils and other housing providers about their schemes, and heard first hand from people affected by past schemes or worried about future plans.

One thing was very clear: that there needs to be far greater transparency and clarity about the purpose of proposed regeneration, and the justification for the options chosen.

We also found that there could be better collaboration between landlords and residents in exploring and evaluating the options.

In this report, we set out an account of the problems that can arise when regenerating estates, and best practice principles for boroughs and other housing providers, councillors and residents' groups to inform their decision-making processes and operations.

We hope that, if followed, these principles will result in a greater sense of fairness and more consensus about future regeneration schemes.

A handwritten signature in black ink, consisting of the letters 'DJ' followed by a long horizontal line.

Darren Johnson AM
Chair, Housing Committee

Introduction

Sustained population growth and fast rising land values are bringing a new set of considerations into the way local authorities and housing associations decide how to manage the refurbishment of many of London's social housing estates. In the last ten years around 50 former council estates across London have been granted planning permission for substantial regeneration (including demolition and rebuild of some homes).¹ The primary purpose of this report, by the London Assembly's Housing Committee, is to bring some badly needed transparency to the process and criteria used by local authorities and other social landlords when they make decisions regarding the refurbishment or demolition of their social housing. This means clarifying both the constraints under which landlords make the decisions they do and the effects of those decisions on the estate residents concerned, owners and tenants alike. We also examine the Mayor's role in supporting these regeneration schemes.

The report summarises the principle findings from our investigation, drawing upon some 30 written submissions, plus oral evidence, from residents, housing providers and other interested parties. We illustrate what works (and what doesn't), who benefits and why, when regeneration schemes are undertaken in London. These findings are considered under three main themes: decision-making, finance and communication.

¹ Source: London Development Database, Greater London Authority

Principles and Recommendations

Our investigation has identified a number of best practice principles of effective regeneration. These principles may be useful for boroughs and other housing providers, councillors and residents' groups to inform their decision-making processes and operations. They are drawn from across the evidence we received and reflect submitted examples of good practice and lessons learned, as well as challenge from residents where problems have arisen. The Appendices also offer more detailed checklists which practitioners, elected representatives and residents may find useful.

An effective decision-making process would:

- ✓ Be robust by being clear from the outset on the purpose of the proposed regeneration and how it fits within a broader strategy for the local area and borough, communicating this early, openly and broadly, and ensuring a systematic and objective option appraisal is undertaken and published.
- ✓ Include in its option appraisal effective consideration of medium- to long-term social and environmental issues. It would incorporate an assessment of the lifecycle carbon impacts of options and feature existing residents' needs and wishes in terms of their lived experience, in tandem with the wider strategic and financial imperatives. It would be clear how residents' views have been taken into account.
- ✓ Have fully justified any regeneration proposal for which the provider considers there to be no viable alternative. An independent ballot of estate residents would be undertaken which would inform any final proposals to demolish.
- ✓ Ensure that leaseholders are treated fairly and provide for them to nominate an independent valuer so they receive fair recompense for their properties. The starting point should be that leaseholders are offered a like-for-like replacement of their property, or a similar offer, wherever possible.

Effective scheme communications would:

- ✓ enable all residents to understand the impacts for them as the scheme progresses and evolves. Where contractors or consultants are engaged, they would have strong track records in effective communication and the provider would nonetheless maintain a close relationship with residents, especially where progress stalls and revised proposals are needed.

The Mayor has a strategic role to play as he supports estate regeneration projects through planning decisions and the disbursement of housing grant. So our recommendations to him are necessarily at a strategic level.

The Mayor should:

- build on the principles of the Estate Regeneration Fund, by contributing wherever he can to provide counter-cyclical funding. This would mitigate the worst effects of providers' heavy reliance on volatile land and property markets. Defraying front-loaded costs is particularly important in getting schemes off the ground.
- review the level of affordable housing grant, to enable providers to pursue the best option rather than simply the one which can be made to fit current funding programmes.
- ensure that our stated Effective Practice indicators are taken into consideration when applications for the Estate Regeneration Fund, and other similar funds, are reviewed.

And finally we want to see central government do its bit too to support a more effective decision-making process.

The Government should:

- lift the Housing Revenue Account borrowing caps so that councils can leverage their housing assets now to support strategic regeneration

- reduce the VAT disparity between new build social housing (which is zero-rated) and estate refurbishment works (currently charged at the standard 20 per cent), to make a more level playing field between refurbishment and demolition as regeneration alternatives.

One: The Decision-Making Process

"The most suitable option will emerge from considering many factors and whichever mix of demolition, rebuilding and refurbishment is selected, the process will be long and complex involving many different participants." Affinity Sutton Housing Association²

With this remark, Affinity Sutton encapsulates just how complicated the decision-making process around regeneration proposals can be. This is not simply because each scheme is different, involving a wide range of local actors and circumstances, but also because the regeneration process is often protracted, extending over years if not decades. During this period, any number of the elements in the mix can shift, so that decisions may need to be reviewed and the process begun again, potentially from first principles.

Regeneration decisions represent major investments for housing providers and other scheme partners, so they are not taken lightly. But for the communities involved in regeneration schemes, the very fabric of their lives is caught up in these decisions. The significance to them of the processes and outcomes is evident in the passionate cross-play of arguments regularly aired in our newspapers, over the airwaves and on social media, where disagreements arise over how regeneration takes place. So it is vital that when decisions are made, they are right, and that if they need to be remade, the new strategy and rationale is clear.

Clarity on fundamentals

Most important is the need for clarity on the scheme's key driver. Bitter recent experience demonstrates clearly how the economic climate and housing market can rapidly shift, unravelling plans for cross-subsidy and housing investment.

Government, regional and local policy also ebbs and flows: the announcement of a major new transport investment might, for example, trigger the prospect of substantially increased local land values.

² Evidence submitted to Housing Committee by Affinity Sutton, p1



Woodberry Down Estate, Hackney

Photo credit: Reece Harris

At critical junctures this may mean that central features underpinning regeneration schemes will also mutate. When this happens, housing providers must at all costs be upfront about what changes have occurred and what policies or financial circumstances are now driving the scheme.

The absence of clear information can lead to accusations of post hoc rationalisation, which degrades or, in some cases, completely destroys the trust underpinning effective collaboration between communities, housing providers and other regeneration partners.

Our investigation uncovered examples of schemes where proposals shifted significantly, but residents say they were not kept abreast of what had happened, why and, crucially, what this meant for them.

Heygate Estate, Southwark

The redevelopment of the Heygate Estate in Southwark, for example, part of the wider programme to regenerate the Elephant and Castle, has been the subject of a two-decade long controversy. Completed in 1974, the Heygate is a large system-built estate combining tall and low-rise concrete blocks, originally housing around 3,000 people. The London Plan identified the Elephant as a location with the potential for new homes and jobs and subsequently it became an Opportunity Area. In the Council's view, the estate was challenging to maintain: there were problems with design, security, energy efficiency and other environmental issues. The Council's option appraisal report and a stock condition survey from the late 1990s concluded that the buildings were structurally sound, but in need of complete refurbishment. Partial demolition and refurbishment was recommended as the preferred option, although it was recognised that much work was needed to develop the option further. On the other hand, Southwark's Emerging Framework Principles for the Elephant and Castle regeneration, dating to 2002, identify the Heygate as a barrier to releasing the area's potential to deliver new homes, jobs, open space and other public facilities.³ Some residents therefore say that releasing the very significant value of the land was the key factor which clinched the decision, while the Council considers the combination of housing management challenges and regeneration opportunities justify its decision to demolish and redevelop.

In any proposals for change there will always be those who gain and those who lose, at least in relative terms. Being clear about this is also an important principle, no matter how difficult the ensuing conversation will be. As Prof Becky Tunstall of York University pointed out: *"It might be that there will have to be losers and if you say that to people at the beginning, it will be easier to accept."*⁴

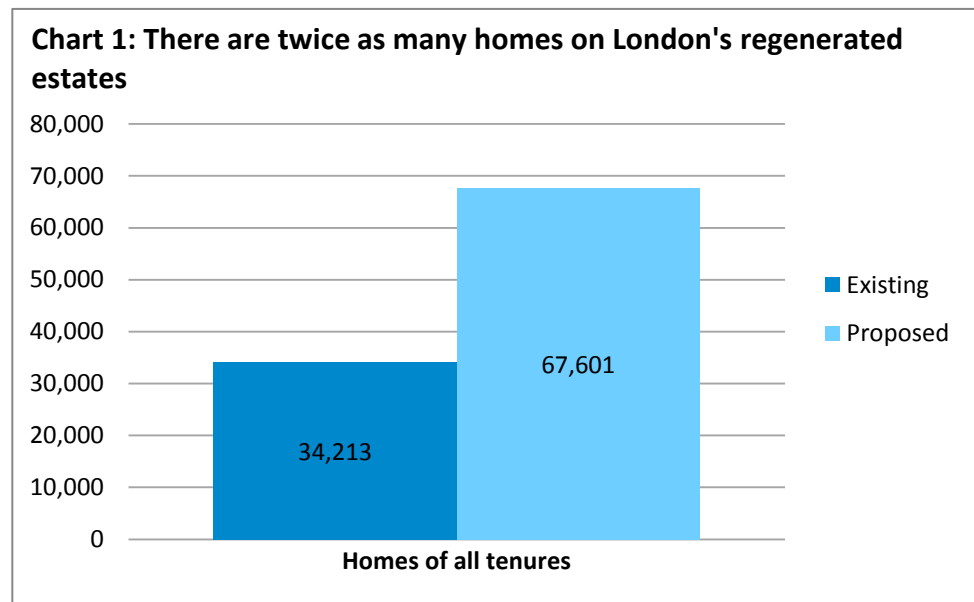
If existing residents are to engage with the process, and this is vital for success, they must themselves realise fair benefit. Stephen McDonald, Director of Place at Barnet, noted the dilemma that a current imperative for London is to build more homes, which means densification, an outcome which will likely be coolly-received in suburban boroughs. But Genevieve Macklin, Head of Strategic Housing at Lewisham, also pointed

³ *Emerging Framework Principles, Elephant and Castle*, London Borough of Southwark, 2002 (Core Document 18 submitted in relation to the Heygate Compulsory Purchase)

⁴ Transcript of Housing Committee meeting, 17 Jun 2014, p25

out that offering something back was key and could mitigate negative responses: in Lewisham where they have sought to infill by developing old garage space, residents have been offered balconies or adjustments to the local lettings plan to alleviate overcrowding on the relevant estate.⁵

This trade-off is equally pertinent within the wider Greater London context. Over the last ten years, planning permissions have been granted for nearly twice as many new homes on the sites of London's demolished social housing estates as were there before.⁶



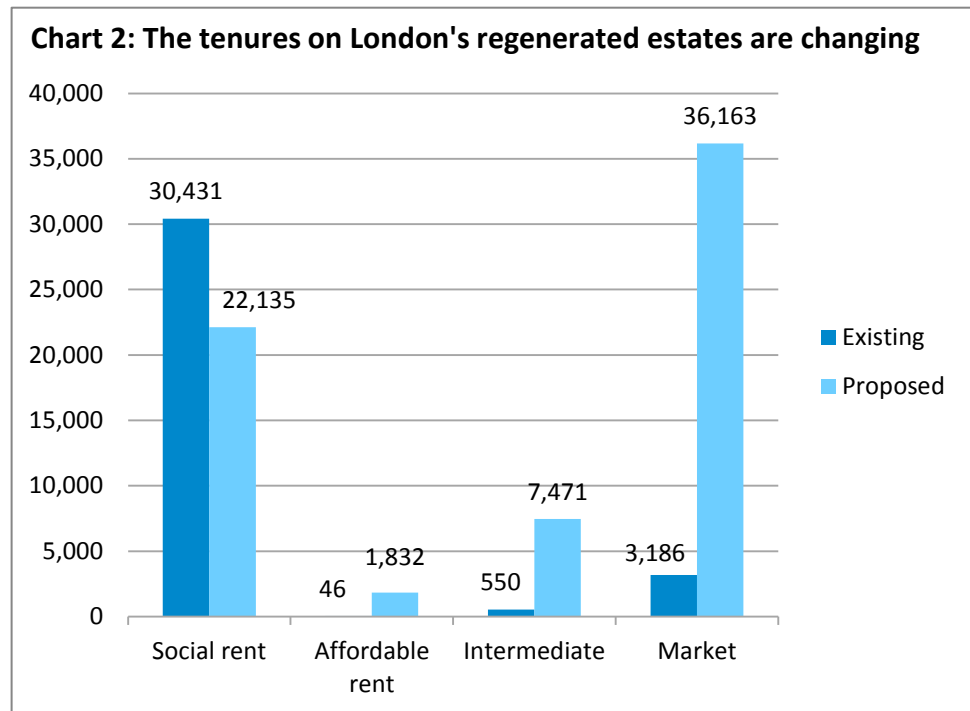
Source: London Development Database, Greater London Authority

These new homes are vital to accommodate London's rapidly expanding population, but also affect the quality of life of existing residents, who may reasonably feel they are entitled to something in return. In fact, our investigation frequently heard that existing residents consider their interests to have been side-lined in the rush to build on estates which

⁵ Transcript of Housing Committee meeting, 17 Jun 2014, pp25-26

⁶ Source: GLA London Development Database, planned or completed new units in 2014 compared with existing units in 2004. The data covers estates in London of at least 15 existing units in 2004, of which ten or more were affordable. The Database only records the tenure as agreed at the time of the planning permission. Subsequent transfers between tenures can lead to more affordable housing being delivered in the scheme than the minimum level required by the planning permission.

have been their homes, sometimes for many decades: *"They just want us out of the way... We are just little pawns in a great big boys' game of chess."*⁷



Source: London Development Database, Greater London Authority

It is often noted that a process of ‘gentrification’ may, over time, accompany regeneration, the new homes being occupied by households more affluent than previous residents, thus altering the make-up of the local community. The London Development Database indicates that over the last ten years, the number of homes for social and Affordable rent planned for regenerated estates has fallen by one fifth.⁸ The doubling of density arises mainly from the addition of more than ten times as many open market homes planned or built within the same estates,⁹ converting

⁷ Sally Taylor, Chair, West Kensington Tenants’ and Residents’ Association, Transcript of Housing Committee meeting 10 Jul 2014, p7

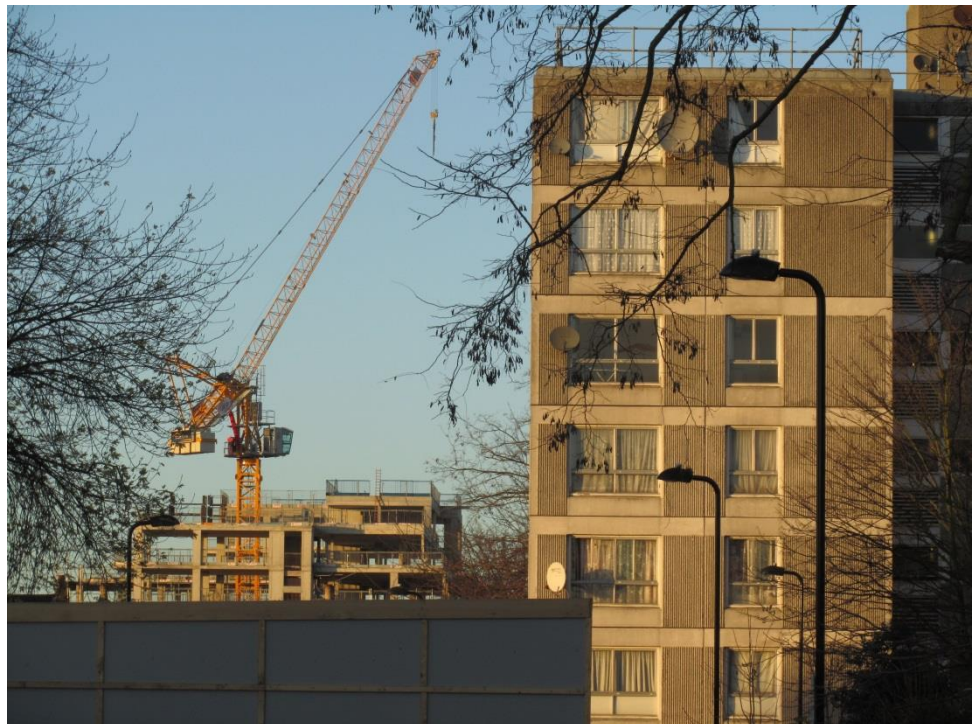
⁸ GLA analysis indicates that some 30,000 social and Affordable rented homes will be replaced by nearly 24,000 social and Affordable rented homes, assuming all planning permissions granted between 2004 and 2014 come to fruition.

⁹ GLA analysis indicates that just over 3,000 market homes will be replaced by more than 36,000 market homes, assuming all planning permissions granted between 2004 and 2014 come to fruition.

council estates into mixed communities, where market homes are the largest tenure (see chart 2).

It should also be noted that the London Development Database data look backwards, for the most part reflecting schemes drawn up before the introduction of the Affordable Rent regime in 2011.

While housing providers usually attempt to offer secure tenants new homes on a regenerated estate on a like-for-like basis (at the same level of rent), this is not always possible. Social rented homes (at rents of around 40 per cent of market rate) will increasingly be replaced by homes at Affordable Rent going forward (with rent levels in London at an average of 65 per cent, but up to a maximum of 80 per cent, of market rate, and usually with less secure tenure), as permissions and completions under Affordable Rent gather pace. And the emphasis in the Mayor's latest Housing Strategy on affordable shared ownership also indicates that there may be more homes for ownership and fewer for rent in future. So on average, rents may be higher and more owner-occupiers will populate regenerated estates in future.



Green Man Lane Estate, Ealing

Photo credit: Lorraine Ford

Take people with you

In order to ensure, then, that the local community does benefit from the proposals, it is important to bring people along from the start, a principle emphasised by Russell Profitt (Head of the Peckham Partnership at the time of the regeneration of Peckham's Five Estates) as an essential ingredient for enduring success: *"It very much is working with the grain of the local community so that you end up with successful outcomes. You cannot impose a model."*¹⁰ It must be acknowledged that the boroughs are in a very difficult position: they need to balance the competing interests of existing and future residents, as well as local and national taxpayers. It is their duty to play a pivotal leadership role, which may mean setting out and justifying some hard truths within the local context. But Poplar HARCA indicates that the lessons from Peckham continue to hold true: *"It is sensible to steer a community gently, but avoid presenting 'done deals' or 'fait accomplis'."*¹¹ Westminster City Council notes that local people's wishes must be paramount: *"Residents vote on plans and they are only progressed if there is a positive vote...what may be sound asset management may not get support in the end if the offer to residents is not good enough."*¹²

Recognising that there will rarely be unanimous support, the best way to promote scheme success is to start from existing residents' needs. Many good examples of this principle in action were submitted to the investigation by housing associations and boroughs from around London. Circle Housing Association and Merton, for example, jointly published a pledge in September 2014 to demonstrate their commitment to a regeneration partnership on three Merton estates and to the residents of those estates, of whatever tenure. See Appendix 4 for more detail on this.

Sutton and Enfield also noted that residents do themselves sometimes drive demolition, taking advantage of an opportunity, for example, to move from a tower block to a low-rise home which they would not otherwise have been offered.

Gaining an understanding of resident needs may be complicated and demands application. One innovative method for really getting under the skin of residents' lives on an estate was described to the investigation by Lucy Musgrave, Director of Publica, a public realm and urban design company.

¹⁰ Russell Profitt, Former Head of Peckham Partnership, Transcript of Housing Committee meeting 17 Jun 2014, p12

¹¹ Evidence submitted to Housing Committee by Poplar HARCA, p7

¹² Evidence submitted to Housing Committee by Westminster City Council, pp2-3

Understanding Residents' Experience of the Whitecross Estate, Islington

In 2010, Peabody, a housing association, commissioned Publica, a public realm and urban design company, to develop a vision and principles for the future of the Whitecross Estate based on residents' experience. This was in response to a request from residents for this kind of approach. Publica reported on the history of the estate and resident demographics, as well as the buildings, public realm and routes used through the estate. Residents' views were gathered by accompanying individuals and groups on walks around the estate, offering perspectives on diverse experiences of estate life, such as car parking, stairwells, the market, play areas, mobility, light pollution and so on. This data, together with evidence gathered at public meetings, informed the final report, which also included Peabody's aspirations for the estate, and developed a series of 15 principles for the estate's future. Peabody now hopes to deliver the overall upgrade programme of redesigned public spaces on the estate by September 2017. It is also consulting on small scale infill development on parts of the estate.

Option appraisal

Option appraisals setting out assumptions, stock condition assessments, plus a range of financial models and cost-benefit analyses are the usual start-point for selecting a way forward for a regeneration scheme. However, this work is not always published or made available to residents, leaving the decision-making process open, once again, to accusations that it is incomplete, biased or underhand. Even if a borough does make documentation available, it is not always readily accessed by residents: *"We know from the council minutes that they are considering demolitions...most council tenants...do not spend hours...reading every single set of council minutes."*¹³ In one extreme case, residents on the Cressingham Gardens Estate in Lambeth had to resort to a series of Freedom of Information requests to gain access to the thinking behind proposals for their homes. Publishing option appraisals as a matter of course would help to allay residents' concerns.

The models themselves also need to be handled with care. They are, after all, just models, which help to frame our thinking and provoke questions, but do not usually themselves provide answers. They also need to be subjected to sensitivity analysis to indicate the level of

¹³ Jacob Secker, Member of Haringey Defend Council Housing, Transcript of Housing Committee meeting 10 Jul 2014, pp13-14

certainty which applies to the assessments they inform. Some housing providers are beginning to develop asset management models and frameworks which will enable them to make a more resident-focused assessment of stock quality and value to offset a purely finance-driven valuation. Affinity Sutton, for example, has developed a software model which incorporates measures of resident satisfaction, turnover, and voids, and other providers have paper-based systems designed to incorporate similar resident-led factors.



Woodberry Down Estate, Hackney

Photo credit: Reece Harris

In particular, though, most financial models struggle to accommodate elements which are not readily measurable. For regeneration proposals, this means, for example, that wellbeing and social impacts of schemes (such as the detriment to residents' physical and mental health over the often lengthy duration of regeneration schemes) are unlikely to be effectively evaluated and their significance may be under-estimated: *"The numbers can prove whatever you want the numbers to prove...but they generally do not go broad enough...It is often the case that a refurbishment scheme will generate significantly more positive quantifiable benefits and significantly fewer disbenefits than a new*

build/demolition scheme."¹⁴ One method which attempts to deal with this problem has been adopted by consultants Arup who have used the Cabinet Office's Social Return on Investment (SROI) model to get closer to a fair assessment of housing investment options.

What is Social Return on Investment (SROI)?

SROI is a framework which measures and accounts for a broader concept of value than the purely financial. It encompasses social, environmental and economic costs and benefits. SROI measures change in ways that are relevant to the people or organisations that experience or contribute to it. It does require data on outcomes, which may be complicated to collect. It is nonetheless a useful tool for facilitating strategic discussions which involve stakeholders meaningfully in service design.

More information on the Cabinet Office's SROI model and other decision-making tools is included at Appendix 1.

There is also no consistent approach to evaluating lifecycle costs associated with regeneration processes. In particular, embodied carbon from demolition, removal of waste materials and reconstruction are routinely ignored, at least in part because they are difficult to measure and relate to long-term targets. But Chris Jofeh, Director at Arup, warned the investigation that refurbishment offers significant advantages over demolition and rebuild if carbon targets are to be taken seriously: *"Even if you build a super-efficient home...it could take 30 years before you redress the balance."*¹⁵ And refurbishment may cost less than demolition and rebuild, providing the project starts from a structurally sound base. Lucy Musgrave pointed to an example of social housing regeneration in Paris where refurbishment was not only cheaper than demolition but also enhanced wellbeing. However, consideration should also be given both to ongoing maintenance costs (for example the relative costs of retaining older high-rise blocks compared with new buildings) and the potential that good design may offer to reduce these costs (for refurbishment and rebuild approaches).

¹⁴ Chris Jofeh, Director, Arup, Transcript of Housing Committee meeting 10 Jul 2014, p23

¹⁵ Transcript of Housing Committee meeting 10 Jul 2014, p17

Refurbishment of Tour Bois-le-Prêtre, Paris

The original tower...



Photo credit: Raymond Lopez

...after 1983 refurbishment...



Photo credit: Frédéric Druot

The 1961 Tour Bois-le-Prêtre social housing tower block in Paris originally underwent some basic refurbishment in 1983 to provide insulation. Architects Druot, Lacaton & Vassal later revitalised the block, without decanting, by upgrading kitchens and bathrooms, reconfiguring apartments and extending the tower outwards, creating enclosed 'winter gardens'. The cost of this second refurbishment in 2011, excluding tax, was €11.2m (£9.5m), whereas the provider, Paris Habitat, estimates demolition/reconstruction would have cost at least €20m (£17m). Demolition would also have meant rehousing residents while reconstruction was undertaken. Rents have risen but these rises have been offset by energy savings brought about by improved building performance.

...compared with the new.



Photo credits: Frédéric Druot

A 'winter garden'



Resident input

Real engagement only occurs when residents understand the detail of what a scheme means for them. To ensure this happens, it is important to communicate in a way that is simple to understand. The use of high quality visuals, for example, can assist with this, so that the community can envisage the reality of the proposals and *“presenting residents with the facts in simple, unjargonistic language always helps.”*¹⁶

Importantly, this includes explaining fully to residents the implications of any stock transfer involved. For example, transfers to a housing association at social rent level may nonetheless imply additional service charges, increased council tax and metered water which were previously included in the rent. In some cases, transfers have occurred without these changes being made clear, again damaging trust: *“The picture we were given was of a rebuilt estate we’d all be able to live in, with new homes the equivalent of the council homes we lived in...There won’t be any council rented homes on the redeveloped estate at all...This means higher rents, higher service charges and less security of tenure.”*¹⁷

Providers also need to be clear from the start about when and how residents can influence decisions. If a borough is leading the scheme, for example, it will set out what it requires in tender documents. Registered providers or developers then shape their proposals to address the tender and residents may be involved in selecting the delivery partner. Once a preferred option is identified, room for manoeuvre usually becomes limited and from then on, financial viability is likely to drive the key decisions. Affinity Sutton, for example, produces a scheme framework which identifies fixed decisions versus those subject to alternatives or options.

Constraints and trade-offs

Engaging in a frank discussion with residents also offers the boroughs and other housing providers the opportunity to make clear the constraints under which they operate. It is particularly vital that the boroughs take advantage of this, as ultimately it is they who determine the strategic objectives, mediating between the competing demands of current and future residents, as long-term stewards of their communities. A clearer understanding within the community of why the boroughs need to make these very difficult trade-offs would help in reaching local settlements which endure.

¹⁶ Evidence submitted to Housing Committee by Poplar HARCA, p7

¹⁷ Evidence submitted to Housing Committee by Eddie Richardson, Woodberry Down resident

In times of austerity, the boroughs remain severely constrained in the level of borrowing they are able to access, critically limiting their options. This inevitably means that financial viability is the key to delivery. Faced with unprecedented levels of housing need, the boroughs would be failing in their duty not to consider seriously opportunities to build new affordable housing by capitalising on the value of the land they own. Where density is low, uplift potential is greatest and so, therefore, is opportunity cost, as noted, for example, by Camden in its submission.¹⁸



Green Man Lane Estate, Ealing

Photo credit: Lorraine Ford

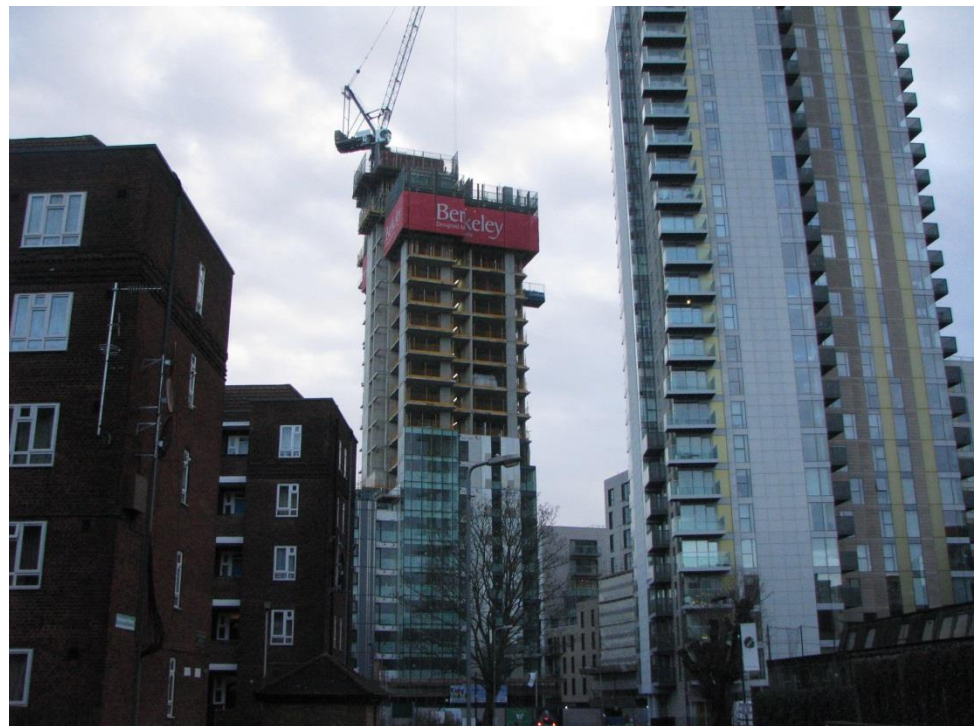
Resident needs change, and current and future requirements may differ from those which the housing stock was designed to accommodate. Any opportunity to reconfigure stock allows providers to take account of these changes, developing a new mix of units which better suits local need. Evidence submitted to the investigation offered many examples where providers, faced with this opportunity, have bent over backwards to accommodate local residents' needs in developing regeneration proposals. Catalyst housing association, for example, has come up with creative solutions which have enabled schemes to go forward with local agreement. These include shared ownership options for leaseholders

¹⁸ Evidence submitted to Housing Committee by London Borough of Camden, p2

who would not otherwise be able to afford to remain on a regenerated estate and the development of linked units (which have the flexibility to be reconfigured as smaller independent units as required) to accommodate multi-generational households. Again, a trade-off must be made here as the extra effort exerted to support the existing community will impact on the additionality of the proposed scheme.

Housing providers' hands are also tied by local capacity to rehouse. Before demolition can occur, residents must be 'decanted' ie moved out to other local accommodation. For a large estate, even allowing for the 'phasing' (or staggering) of a scheme, this can have a serious impact on the local housing waiting list as decanted residents are prioritised for vacant homes.

These examples illustrate exactly the circumstances where a Social Return on Investment (SROI) approach would be valuable, helping to open up and make explicit the debate over local priorities. These are all taxing issues, deserving of serious local consideration. For schemes to be successful, an honest and open deliberation is vital.



Woodberry Down Estate, Hackney

Photo credit: Reece Harris

Two: Funding Dilemmas

“Everything has to wait for the market. It only works while the market is buoyant...when things do not go well, we need to have a fall-back position.” Stephen McDonald, London Borough of Barnet¹⁹

In previous years, the level of grant for developing new affordable homes was far higher than at present. Our investigation heard about the regeneration of the Five Estates in Peckham during the 1990s, where one aim was to reduce density and improve quality. But as Stephen McDonald pointed out: *“It is a good example of what we cannot really do any more, because Peckham was done in a high-subsidy environment.”*²⁰ Whereas previously substantial funding streams such as the Single Regeneration Budget and the New Deal for Communities were available to support regeneration work, dedicated funding is, for the present, effectively confined to affordable housing grant. However, it should also be noted that councils and housing associations now have greater access to capital than in the past, with more freedom to borrow against future rents and other incomes.

Since the introduction of the Affordable Rent regime, boroughs and Registered Providers of social housing receive a smaller proportion of the build cost in capital grant than used to be the case, raising the remainder from higher rents, debt or their own resources. This can bring an increased level of uncertainty to all affordable new build. In addition, regeneration is often undertaken in partnership with a private sector provider, which contributes a substantial cross-subsidy from open market sales. In many cases this mechanism has delivered affordable home developments which would not otherwise have been built. However, guests at the investigation’s June meeting all pointed out that it also lacks resilience when the market falls. This heavy reliance on the market is a major reason why regeneration schemes can stall or fail.

The effect of market volatility

Broken promises are thus a common complaint among residents of stalled or protracted schemes, because proposals which had originally been consulted on and worked up may no longer stack up financially.

¹⁹ Transcript of Housing Committee meeting 17 Jun 2014, p12

²⁰ Transcript of Housing Committee meeting 17 Jun 2014, p3

When this happens, the borough has to work with its partners to try to deliver the best compromise possible in changed circumstances.

Sometimes a housing association partner may be able to continue with a scheme on a loss-making basis, absorbing additional costs, but this has to be negotiated scheme by scheme. By contrast, private developers live or die by profit, and their solution will likely involve increasing the number of market homes to offer cross-subsidy and/or waiting for the market to improve.



Woodberry Down Estate, Hackney

Photo credit: Reece Harris

For residents, the fallout often involves an extension to building-site life and the possibility of a reduction in the number of existing residents able to return to the rebuilt estate. On the West Hendon estate in Barnet, for example, the 680 affordable homes originally proposed were reduced to 543 in order to close the £85m funding gap resulting from the economic downturn.²¹ Plans to regenerate the Carpenters Estate in Newham were originally developed in 2000 but have gone through numerous iterations since then in changing financial circumstances. This leaves residents in a state of bewildering uncertainty, as well as making inefficient use of London's housing resources: *"There are now about 350 empty homes on the estate. I guess many have been empty for ten years."*²² Where promises are broken, relationships are often soured long-term, storing up hostility which may bedevil and jeopardise the success of any new regeneration scheme, no matter how financially efficient or strategically logical it may be.

Piecemeal funding pots

Part of the reason why many estates have fallen into a poor state of repair and now need regenerating is that they have not been properly looked after. Stephen Ross, Asset Management Director at Southern Housing Group, drew a comparison between the Market Estate in Islington, which was eventually demolished (and successfully rebuilt with local consent, though not without conflicts which needed to be resolved) and the York Way Estate, which still stands today in its original form. He explained how the neighbouring estates were built together in the 1960s, but the latter received continuous investment over 50 years from the City of London Corporation, whereas the former, after several previous attempts at regeneration and changes in management, required £50m for demolition and reconstruction.²³

Aside from affordable homes monies, boroughs have previously been able to access Decent Homes funding, although this comes to an end in March 2016. While this has been useful money, it has only supported piecemeal investment into prescribed elements of housing infrastructure, such as replacing doors, windows and bathrooms. There has been no recent opportunity to bid for more strategic regeneration funding which would take account of the bigger picture and enable proactive asset management. This has left the boroughs to chase discrete funding pots on an ad hoc basis.

²¹ Barratt Metropolitan March 2012 West Hendon Newsletter

²² Manoranjitham Saravanamuthu, Carpenters Estate resident, Transcript of Housing Committee meeting 10 Jul 2014, p5

²³ Transcript of Housing Committee meeting 17 Jun 2014, p7

The financing of local authority housing was reformed in April 2012 and the boroughs are now able to borrow against their housing assets. However, the amount they may borrow is capped by the Treasury and many boroughs have limited borrowing 'headroom', which is often insufficient to make investments at scale or in a single hit. *"The borough wants to develop the replacement affordable housing itself for retention in the HRA, and being unable to borrow – even though we can afford to do so – hinders our ability to bring additional funding to the projects."*²⁴

In all regeneration programmes, upfront costs, such as master-planning and leaseholder buyback, are significant. In this context, there has been a large increase recently in the number of homes sold under Right to Buy²⁵ with the potential to impact on scheme viability.²⁶ For some schemes, infrastructure funding is also a significant addition. At this early stage, though, the scheme will not be generating any cash, private developers won't inject equity and the banks are reluctant to provide development capital.

Grant funding for refurbishment rather than rebuild is particularly limited. To make matters worse, the VAT regime favours new build over refurbishment: new build homes are zero-rated for VAT, while refurbishment works are charged at the standard 20 per cent rate. As Stephen Ross pointed out, on a regeneration scheme: *"You have to take tax-planning advice on how you are going to do the design...That does not make much sense really, does it?"*²⁷ Disadvantaging refurbishment in this way runs counter to the principles advocated by George Clarke, independent adviser to the Government,²⁸ tasked with exploring whether the demolition of council homes should be scaled back.

A limited Estate Regeneration Fund

In June 2014, the Mayor and the Government announced a £150m recoverable loan pot for estate regeneration, of which a proportion will come to London. This loan funding is of course welcome. However, the scale of the funding and the conditions attached came in for criticism during our investigation. Genevieve Macklin of Lewisham pointed out that: *"It is absolutely negligible...[On] one of our estates we are doubling density...The overall investment needed for that is £230 million. That is*

²⁴ Evidence submitted to Housing Committee by London Borough of Harrow, p2

²⁵ Right to Buy sales doubled in London between 2012-13 and 2013-14 (Source: DCLG Live Table 648)

²⁶ A number of submissions to the investigation indicated that this is already beginning to cause such problems.

²⁷ Transcript of Housing Committee meeting 17 Jun 2014, p15

²⁸ See Appendix 3

*for one estate...You are not going to change the world by bidding for that funding pot.*²⁹ And Stephen McDonald from Barnet agreed that deadlines for spending funding pots as they become available are often unworkably short: *“You get this money and then somehow or other you are supposed to have spent it by a week next Wednesday.”*³⁰ He noted that the boroughs would naturally try to access any available funding, but that the associated conditions and timescales might effectively exclude best practice, for example, in consultation.

²⁹ Transcript of Housing Committee meeting 17 Jun 2014, p32

³⁰ Transcript of Housing Committee meeting 17 Jun 2014, p33

Three: Active and Ongoing Communications

“The interesting thing about all urban neighbourhoods is they are about conflict.” Lucy Musgrave, Publica³¹

As discussed in section One, it is vital that the resident community is involved in the initial decisions which shape a regeneration scheme. But the community’s ongoing active engagement as the scheme moves forward is no less essential in order to ensure that the right work progresses smoothly and that the active support of residents and neighbours can be leveraged. Galvanising real engagement, though, is a difficult and delicate task, especially since not all of the community will either wish to be active or will support the proposals. As Russell Profitt noted: *“Consultation is very much part of it, but it is not a straightforward process. There is no perfect model.”³²* It should be noted that neighbours to regeneration schemes (whose lives may be almost as greatly affected as those of immediate residents) also need to be engaged. Where neighbours’ views are not sought, resentments may arise. As one regeneration neighbour told our investigation: *“We are implicated in the regeneration but with no vote on it and are having to lobby from afar.”³³*

Positive engagement

One important way to promote positive engagement is to secure the enthusiasm of community leaders. A number of contributors to the investigation offered examples of how this is achieved, including setting up resident steering groups and using them as one communication channel with residents (as, for example, Waltham Forest has done), and making sure that local councillors are actively engaged themselves and spreading the word locally (as noted, for example, by Catalyst and Sutton).

Offering a varied menu of communication methods will maximise the chance of positive engagement from all sections of the community. Many providers indicated wide-ranging activities, designed to meet the diverse needs of their communities, including the use of:

- paper-based methods such as newspapers, newsletters and flyers;

³¹ Transcript of Housing Committee meeting 10 Jul 2014, p33

³² Transcript of Housing Committee meeting 17 Jun 2014, p24

³³ Kate Worley, Tottenham resident, Transcript of Housing Committee meeting 10 Jul 2014, p15

- experience-based methods such as exhibitions, mock-up floor-plans and site visits to other regeneration schemes;
- electronic methods, such as websites and online surveys; and
- face-to-face methods such as workshops, town-hall meetings and door-knocking.

In particular, a number of contributors noted the value of having an on-site office, with some late-night opening, to ensure that residents who have day-time commitments find it as easy as possible to engage. Dedicated resident-liaison staff provide a human face during what can be an isolating and unnerving experience for many residents.

Regeneration schemes usually involve a wide network of partners and contractors and each of these must have the skills to listen and engage as appropriate. Appointing contractors with significant regeneration experience may help with this. But as Peabody indicated, housing providers cannot allow themselves to become remote from residents just because they are currently operating through proxies.



Green Man Lane Estate, Ealing

Photo credit: Lorraine Ford

To enable people to participate as fully as possible in ongoing decision-making and genuinely feel empowered, some capacity-building is likely to

be required. As Sharon Hayward of the London Tenants' Federation commented: *"If you want communities to engage from the grassroots, then they need support"*.³⁴ This support should help to redress the power imbalance between the *"row of suits with financial models and experts"* on one side of the table and on the other, *"residents who usually only have limited capacity to respond"*.³⁵ Many contributors indicated that they do provide some resource for this purpose. Project officers from Barking and Dagenham, for example, scope the need for this on an ongoing basis throughout the project's lifespan. Waltham Forest trains its resident steering group on contract issues prior to their involvement in interviewing developers. This has had the advantage that the steering group has also evolved into a contract-monitoring group, with a direct interest in holding the developers to account.

Sometimes independent resident advisers are engaged to support communications programmes. However, it is important when this happens that the independence of these advisers is not in question and that they enjoy residents' trust. Circle, for example, indicated that its independent Tenant and Resident Advisers involved in their Merton regeneration were appointed by a panel of residents plus one staff member. Sutton's independent advisers have been appointed from the outset and continue their involvement as the work progresses so they are able to build a trusting relationship with residents. They then act as independent chairs, for example, on design groups.

Repossessions and Compulsory Purchase Orders are a significant source of concern for residents, given the trauma of the threat of home loss, as well as the need for legal advice and the often substantial sums of money involved. Again, independent advice which residents can trust is vital in these circumstances; Harrow, for example, enables leaseholders to nominate a valuer to act on their behalf. Indeed, evidence submitted to the investigation indicates that residents sometimes question valuations that do not benefit from independent advice. On the Aylesbury Estate in Southwark, for example, the valuations undertaken by the council-appointed surveyor are said to be *"the major cause of mistrust amongst Aylesbury leaseholders for the whole valuation process"*.³⁶

³⁴ Transcript of Housing Committee meeting 10 Jul 2014, p31

³⁵ Evidence submitted to Housing Committee by Sandy Stewart, Aylesbury Estate resident, p1

³⁶ Evidence submitted to Housing Committee by Sandy Stewart, Aylesbury Estate resident, p3

A work in progress

The intensity of communications activity will vary over the scheme's lifecycle, increasing at key points relating, perhaps, to the rehousing process, or prior to significant decisions such as option reappraisal. However, active communications should always be an important aspect of 'business as usual' which will inform decision-making throughout. Constantly taking the community pulse in this way helps providers to anticipate and address issues early, before they become serious problems. Peabody, for example, had originally not intended to retrofit existing stock in their St John's Hill regeneration in Wandsworth, as it was slated for demolition. However, after hearing from residents, and because of the duration of the scheme work (extending from the setting up of a resident steering group in 2007 to expected completion of the third and final phase in 2021) they changed plan, opting to go ahead with Decent Homes work to prevent residents from enduring deteriorating living conditions during the lengthy wait leading up to demolition. Waltham Forest stresses that keeping residents abreast of access restrictions on site, contractor working hours and delivery times, for example, are simple but essential communications, important to demonstrate appropriate concern for residents' wellbeing. Failing to anticipate or pay attention to such issues is likely to result in alienated, stressed and fearful communities: the 35% Campaign in Southwark notes that the protracted nature of the Heygate regeneration proposals and its uncertainties "*were a constant in people's lives and experienced by them as a decade long act of attrition*".³⁷

One option adopted by some providers which supports residents during the 'decanting' process is the use of property guardians.

³⁷ Evidence submitted to Housing Committee by Elephant Amenity Network/35% Campaign

Property Guardians

Dot Dot Dot is a social enterprise working with empty property, often located in social housing estates that are undergoing change and regeneration. Property guardians provide protection to empty properties through occupation. They can be used to good effect during the 'decant' phases of regeneration schemes as homes are emptied pending demolition. Guardians can reduce the security bills associated with empty properties, deterring vandalism, metal theft and other anti-social and criminal behaviour, by creating regular local footfall, eyes and ears. This avoids the substantial security presence which may otherwise be required but which can be unsettling for residents. Aside from bolstering the human presence on increasingly sparsely populated estates, the average Dot Dot Dot guardian volunteers 23 hours per month for community support activities. For example, guardians have organised gardening schemes and litter-picks with local residents, helping to sustain networks among remaining residents. They also offer flexibility, so that vacant possession can be achieved promptly when required.

Where schemes have stalled or experience delays beyond the provider's control and relationships have broken down, trust between residents and providers may be improved if an independent body is created.

Creation Trust on the Aylesbury Estate

Creation Trust is a charity dedicated to making sure that residents living on the Aylesbury Estate receive the benefits of the area's regeneration and are supported through the process. More than half the places on Creation's Board of Trustees are reserved for resident members, including both tenants and leaseholders, so that local people have real influence over the decisions made. Creation Trust works closely with Southwark Council and Notting Hill Housing Trust (the developer) to ensure that the Aylesbury Area Action Plan is adhered to. It is part-funded by Southwark Council but has also been eligible for funds from the National Lottery and the Football Foundation to deliver additional projects for residents.

Finally, it is important to remember that engagement continues post-occupancy. New residents arriving on completed phases need to be

involved so that they can contribute to developing community facilities. Assessments need to be made of post-occupancy experience, and lessons learned.

It will be evident that engagement programmes encompassing an appropriate selection of these activities are expensive and must be budgeted for from the outset. But residents are, of course, a key resource on their own local area, and tapping their experience of what will work and what won't can not only short-circuit issues which arise but also develops resilient relationships which will be vital for nurturing the sustainable and diverse communities to which we aspire. As Campaign to Protect Rural England notes: *"There is a need to go beyond simply the creation of a place (place-making) to ensuring lasting quality and liveability of neighbourhoods over time. Place-keeping involves longer-term buy-in... [and] should happen incrementally, in small steps, rather than by investment of huge sums of money, either too early or at a late stage in the development process."*³⁸

³⁸ *Towards a Liveable London*, CPRE London, June 2014, p16

Appendix 1 Decision-Making Criteria and Models Used by Housing Providers

Cabinet Office Social Return On Investment model

Design and Engineering Consultant Arup uses the Cabinet Office Social Return on Investment model (SROI) as the basis for its work to calculate the social as well as financial impacts of refurbishment schemes.

The Cabinet Office summary of key elements of an SROI report is reproduced below. For more information see the source document.³⁹

“The following sets out the key elements of an SROI report. Within the structure of the six stages there is flexibility about how the information can be presented. The information will be a balance between qualitative, quantitative and financial data that together describe the value resulting from the activities set out in the scope. The aim will be to provide enough information to comply with the principles and to provide evidence that the process has been followed.

Executive summary

1 Scope and stakeholders

- A description of your organisation: its activities and values, the activity under analysis, including location, main customers or beneficiaries.
- An explanation of SROI, the type undertaken and the purpose of the analysis. The time period of the activity.
- One or two stakeholder case studies from the point of view of each stakeholder and a description of their journey of change.
- A description of the theory of change: of how the activity is expected to achieve its objectives. A summary of organisations involved in attribution.
- The analysis of the stakeholders and stakeholder groups.
- The numbers of people or organisations in each stakeholder group.
- Description of how stakeholders were involved.

³⁹ *A Guide to Social Return on Investment*, Cabinet Office, April 2009

- The numbers of people or organisations from each group that were involved in developing the theory of change for that stakeholder group.

2 Outcomes and evidence

- Description of inputs, outputs and outcomes for each stakeholder group. Outcomes will include changes that are positive, negative, intended and unintended.
- Description of the indicators and data sources used for each outcome.
- Quantity of inputs, outputs and outcomes achieved for each stakeholder group.
- Analysis of the investment required for the activity.
- The length of time over which the outcome is expected to last, or against which the outcome will be attributed to the activity.
- Description of the financial proxy to be used for each outcome, together with the source of the information for each proxy.

3 Impact

- Description of the other areas or groups against which deadweight [measure of the amount of outcome that would have happened even if the activity had not taken place] is estimated.
- Description of the other organisations or people to which outcomes have been attributed.
- The basis for any estimates of attribution [the proportion of the outcome that is attributable to your organisation] and deadweight.
- % attribution for each indicator of outcome with a financial proxy.
- % deadweight for each indicator of outcome with a financial proxy.
- % drop-off [how long the outcomes lasted] for each indicator of outcome with a financial proxy.
- Description of displacement [how much of the outcome displaced other outcomes], if included.
- The total impact.

4 Social return calculation

- Calculation of the social return, showing sources of information, including a description of the type or types of social return calculation used.
- A description of the sensitivity analysis carried out and why.
- A description of the changes to quantities as a result of the sensitivity analysis.
- A comparison of the social return in the sensitivity analysis.

5 Audit trail

- Stakeholders identified but not included, and rationale for this.
- Outcomes identified but not included, for each stakeholder, and the rationale.
- Any financial proxies not included, and the rationale.”

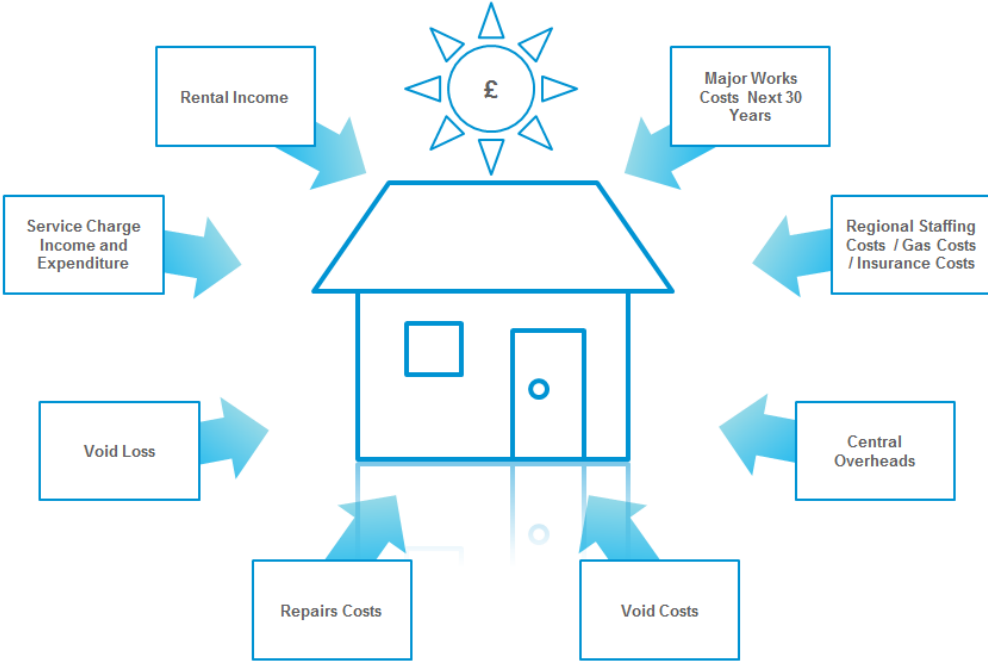
Frequently-cited decision-making criteria from submitted evidence

- Stock condition and associated costs (age, structural soundness, lifespan, 30-year investment costs, 3-year maintenance costs and cost to bring stock up to a reasonable living standard)
- Estate popularity (transfer requests and turnover, offer refusals, voids, residents’ survey and satisfaction levels)
- Design (public realm, enclosure, character and attractiveness, fit with surroundings, compliance with Secure by Design criteria)
- Socio-economic conditions (crime rate compared with borough average, Index of Multiple Deprivation rating and Public Transport Accessibility Level, overcrowding levels)
- Finance (available funding sources including borrowing capacity, opportunity for/desirability of increasing density to provide cross-subsidy, best use of land, number of leaseholders who need to be bought out)
- Tenure mix (with intention of diversifying tenure)
- Capacity for/cost of rehousing locally

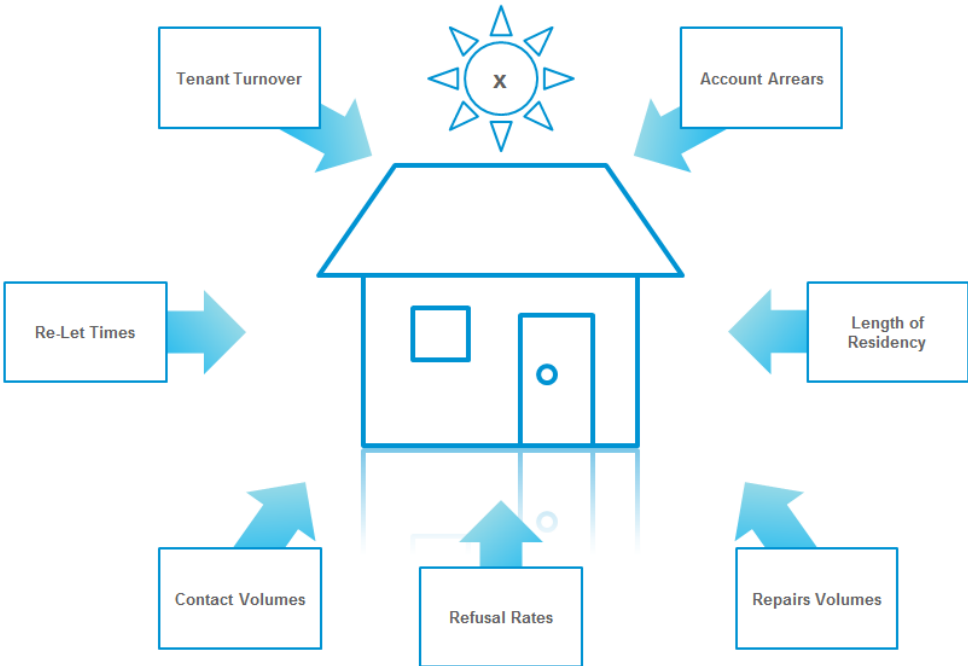
Affinity Sutton asset management models

Affinity Sutton Housing Association uses the two models below as part of their active asset management strategy. The models help the Provider gain an overview of both financial and tenant satisfaction data relating to estates.

Financial



Resident



Appendix 2 Good Practice

Summary of good practice, lessons learned and resident challenge from submitted evidence

Engagement

- Engagement is as important as the physical build in terms of creating strong communities where residents are happy in their homes and lives are not blighted during the process
- It's especially difficult because the wide range of organisations and individuals involved changes over time and individuals are also going through a process of change so their views will evolve
- Be prepared for significant cost associated with resident engagement needs
- Get the support of the local community by securing the enthusiasm of community leaders and influencers. This includes recruiting a resident steering group and using residents as a resource (they are a key resource on their own area). A steering group can evolve into a contract monitoring group
- Where relationships have broken down, an independent body may be necessary to regain trust and restore an effective working relationship
- Incremental and continuous engagement is required to develop the kind of ethos required for shared planning, place-making and place-keeping
- Engagement will intensify at key points such as master-planning, planning application submission, start on-site and decanting, phase-by-phase completion
- It is especially important when activity stalls to reassure residents they're not forgotten
- A regularly updated timetable should be available to residents so they can plan their future
- Whole community celebration of significant milestones is important
- Make sure staff involved in consultation have the right listening skills
- If using consultants, nonetheless ensure the developer does not become remote from residents; the contractor/developer has a vital communication role for residents and local community. Careful choice of contractor with regeneration experience and strong resident liaison is important
- Demonstrate how residents' views are taken into account

- Make sure day-to-day details such as temporary closures on site are effectively communicated
- Siting an office on the estate which offers late-night opening has been key in keeping some residents engaged
- You also need to keep residents involved post-occupancy to promote lasting liveability and custodianship. Where retrofit has been undertaken it's important to ensure residents are supported to take best advantage of energy efficiency measures
- New residents need to be involved in decision-making for the future too, so involve them in processes as they arrive.

Re-housing

- The costs of managing empty buildings need to be factored in
- As estates are emptied, better use can be made of empty properties by accommodating homeless people or using property guardians who can also support community cohesion
- You may need to continue with ongoing maintenance despite plans for demolition to support residents' quality of life during the interval between the original decision-making and vacating the estate
- You need to get the support of other local providers to secure effective re-housing
- Re-housing always takes longer than planned
- Double decant is sometimes a necessary evil to fulfil specific household need and sometimes even more moves can be required
- Use phasing to minimise double decanting for those wishing to stay. However, this means the first tenants moved out may need to wait a very long time to return
- Dedicated decant staff may be necessary; property guardians can supplement borough staff
- An additional security staff presence is required to support remaining residents
- Property guardians can help avoid the feeling that estates are being closed down and add volunteering projects which support remaining residents.

Funding

- The local growth fund (drawing on extra borrowing capacity) can be used to support housing delivery
- Even where the market has changed or the population has grown there are examples of creative solutions by negotiating increased density and additional units for sale. Phasing also offers the

opportunity to consult on variations as the scheme progresses, such as changing the tenure mix, slowing down or delaying a market housing phase where improvement is expected or considering whether a smaller phase might be viable in the face of poor market conditions

- Extra financial support may be required for leaseholders (especially elderly or disabled people) to close the value gap. This might include options to buy on a shared equity or shared ownership basis, or gifting them the value gap, either with a charge at the point of sale to recoup the initial gap or with penalties declining over three years if they sell.
- A similar value gap arrangement can support multi-generational households in staying together where freeholders have built garden extensions but may not be able to afford an equivalent property on the new estate.
- Refurbishment bills can be staggered for asset rich, cash poor resident leaseholders
- There may be substantial financial implications of a double decant.

Decision-making model (see Appendix 1 for decision-making criteria)

- The whole of the building lifecycle should be taken into account in assessing carbon emissions
- Decisions should take into account learning from previous outcome evaluations
- Use a framework to assess residents' lived experience and measure outcomes
- A whole place approach is important, taking into account the needs of future as well as current residents and neighbours
- Failing construction methods may make demolition more appropriate
- Stock type such as poor space standards or blocks of bedsits may no longer fit community needs
- Investment appraisals should be open to residents
- You should be clear on points at which residents have options and can influence decisions
- Demolition may be prohibitively expensive if the number of leaseholders is too high
- Demolition and rebuild may be appropriate if the units are hard to let; conversely, for example, supported housing is in high demand so refurbishment may be more appropriate

- You must consider the impact on the waiting list of the re-housing requirements and the overall viability of decanting for the regeneration proposed
- You should use models but it is essential to get under the skin of the data by understanding what is driving it
- Retrofit and infill or building more storeys saves embodied carbon and can often be achieved more quickly and less contentiously than demolish and rebuild
- Accurate energy-efficiency projections are vital for refurbishment schemes to ensure residents aren't disappointed.

Consultation

- Involve residents in developer shortlisting, steering groups etc if possible
- Support needs to be available for capacity-building among residents to address the power and information imbalance. This may mean the local community will wish to organise itself independently and pay for expert help; it might mean providing training for the steering group prior to interviewing developers, support for tenants on Ground 10a repossessions and CPOs, allowing leaseholders to nominate a valuer to negotiate on their behalf. Scope this up as part of the early work associated with preparing the scheme
- Keeping the same independent advisers from option appraisal forwards may help ensure residents feel comfortable with the independence of their advisers
- Consult early to establish resident preferences which helps build trust
- If residents vote against regeneration proposals, the provider must accept this and work constructively with residents to continue to maintain and improve their homes
- Consultation must start from residents' needs to understand whether successful regeneration is viable. Identify what changes are required to meet their needs first
- Sometimes residents themselves drive demolition
- Keep an open mind: involve residents from the outset and present a range of options where possible. Don't present a 'fait accompli'
- Address residents' concerns openly and be clear upfront on the direct impact for residents making sure they understand detail of proposals for them
- Residents need to know where their home is in the phasing programme, when they will be affected and where they would be moving to

- The right to return may not be automatic – the new mix of units may not be the same, as local need may now be different. The timing of delivery may also exclude the option to return for some. However, the right to return should be offered wherever possible to preserve long-standing communities
- Discuss openly any issues with changed tenancy for under-occupiers or multi-generational households
- Where an issue cannot be resolved immediately, be clear about when and how it will be resolved in future
- Explain additional costs such as water rates and service charges (which may accrue even if social rent is transferred under stock transfer) as well as rent levels, size and type of new properties including room size, density, loss of car parking. For leaseholders discuss financial implications and whether previous financial contributions to improvement work would be rebated
- Be clear on the leaseholder valuation process and costs. Leaseholders need as much support as tenants, maybe more, to move
- Communicate the options in a simple to understand fashion
- Use high-quality visual aids – they are expensive but necessary
- Include visits to similar sites, mock-ups of floor-plans where possible and provide a show home at the earliest point
- Local lettings policies, agreed with a steering group incorporating residents, may be needed to ensure smooth progress
- Use local councillors to disseminate key messages by keeping them apprised of the latest information
- Provide a varied menu of activity and effort, including using ways to understand the whole community not just the few. This might include smaller group/informal activities as well as town hall meetings, targeted events to inform/consult harder-to-reach groups and door knocking
- Complete surveys face-to-face if the return rate is low.

Appendix 3 George Clarke's Empty Homes Review Recommendations

- 1 Refurbishing and upgrading existing homes should always be the first and preferred option rather than demolition.
- 2 Demolition of existing homes should always be the last option after all forms of market testing and options for refurbishment are exhausted.
- 3 Proper community consultation is required for any existing homes regeneration programme. The questions in a consultation should clearly consider all of the options openly and fairly and not directly or indirectly give preference to one option over another.
- 4 If, following an open and transparent community consultation process and after rigorous market testing for refurbishment, demolition is still the preferred choice of the community then tenants/owners should be moved to new 'like for like' properties. No one should be placed in temporary accommodation.
- 5 If owners/tenants are moved to a new property they should suffer no net financial loss or any increase in rent, other than what they would expect as a reasonable increase if they remained in their existing home and in line with inflation. Any significant financial increase in rent from a housing association is to be subsidised by the HA or local authority and not the owner/tenant.
- 6 Areas should not be systematically 'wound down' which is a process that destroys communities and reduces house prices in the area. If homeowners or tenants choose to move they should be moved in large clusters at the same time (entire street by street) and if homes are to be demolished they are to be emptied and demolished as quickly as possible to make way for new development.
- 7 Homes should not be emptied at all until full planning permission has been fully approved for demolition and new build development in advance (with majority support from the local community) and all funding for the new development is fully secured with a clear timetable for delivery.

- 8 If an area of existing housing requires improvement or redevelopment then a 'mixed and balanced' urban design scheme should be considered where existing properties are retained and improved while being mixed with appropriate new build development.
- 9 Local Authorities and Housing Associations should promote and encourage alternative methods of project procurement for the refurbishment of empty homes such as Homesteading, Co-operatives and Sweat Equity schemes. These are community-based schemes that encourage community involvement while providing better value for money.
- 10 Displaced occupiers should be given a 'right to return' following the completion of a housing renewal programme. In practice this means giving first refusal to new or refurbished houses at the same price as the compensation paid to the occupier when they were displaced.
- 11 Where a regeneration scheme is withdrawn or partly withdrawn prior to demolition, owners should be given first refusal to have their home back. The property should be offered at the same price as the compensation they received minus any compensation due for remedial work to return the property to the condition it was in prior to sale.
- 12 Where properties decanted for renewal schemes are left empty for more than six months, they must be openly offered for temporary accommodation in a safe and habitable state.

Appendix 4 Circle Housing and Merton's Pledge Commitments

Circle Housing and the London Borough of Merton developed a pledge, published in September 2014, of ten commitments to residents on three of their estates where regeneration is being considered:

- 1 Circle Housing Merton Priory will consult with residents, consider their interests at all times, and address concerns fairly.
- 2 Current homeowners will be entitled to at least the market value of their home should they wish to take the option to sell their home to Circle Housing Merton Priory.
- 3 Current tenants will be entitled to be rehoused in a new home of appropriate size considering the number of people in the household.
- 4 Existing Circle Housing Merton Priory tenants will keep all their rights and have the same tenancy agreement, including rent levels, in the new neighbourhood as they do now.
- 5 All new properties will be more energy efficient and easier to heat than existing properties, helping to keep down residents' fuel bills.
- 6 Circle Housing Merton Priory will keep disruption to a minimum, and will do all it can to ensure residents only move once if it is necessary to house them temporarily while their new home is being built.
- 7 Circle Housing Merton Priory will offer extra help and support for older people and/or disabled residents throughout the regeneration works.
- 8 Circle Housing Merton Priory will continue to maintain the homes of residents across the three neighbourhoods throughout the planning process until regeneration starts, including ensuring a high quality responsive repairs service.
- 9 Any growth in the number of homes will be in accordance with the Council's Development Plan so that it is considered, responsible and suitable for the area.

- 10 As a not for profit organisation, Circle Housing Merton Priory will not profit from any regeneration and will use any surplus to provide more housing or improve existing neighbourhoods.

Appendix 5 Conduct of the Investigation

The terms of reference for the investigation were:

- To establish the criteria used to determine decisions, and clarify the decision-making process adopted, when social housing is considered for demolition or refurbishment;
- To assess the comprehensiveness and robustness of the decision-making process;
- To identify good practice in shaping decisions; and
- To scrutinise the role of the Mayor in supporting social housing refurbishment or regeneration and consider whether there is more he should do.

A call for evidence elicited some 30 written submissions from residents, housing providers and other interested parties.

This supplemented the information gleaned from the Committee's two formal meetings, which were held on 17 June and 10 July 2014, a site visit to Clapham Park Estate on 2 July 2014, and desk research.

Expert guests at the 17 June meeting were:

- Genevieve Macklin, Head of Strategic Housing, London Borough of Lewisham
- Stephen McDonald, Director of Place, London Borough of Barnet
- Russell Profitt, former Head of the Peckham Partnership
- Stephen Ross, Asset Management Director, Southern Housing Group
- Professor Becky Tunstall, Director, Centre for Housing Policy, University of York.

Expert guests at the 10 July meeting were:

- Sharon Hayward, London Tenants' Federation
- Chris Jofeh, Director and Global Buildings Retrofit Leader, Arup
- Lucy Musgrave, Director, Publica.

The 10 July meeting was also attended by some 70 members of the public, many of whom contributed to the discussion.

Transcripts from the meetings, and a report on the site visit are available at www.london.gov.uk.

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Chinese

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Vietnamese

Nếu ông (bà) muốn nội dung văn bản này được dịch sang tiếng Việt, xin vui lòng liên hệ với chúng tôi bằng điện thoại, thư hoặc thư điện tử theo địa chỉ ở trên.

Greek

Εάν επιθυμείτε περίληψη αυτού του κειμένου στην γλώσσα σας, παρακαλώ καλέστε τον αριθμό ή επικοινωνήστε μαζί μας στην ανωτέρω ταχυδρομική ή την ηλεκτρονική διεύθυνση.

Turkish

Bu belgenin kendi dilinize çevrilmiş bir özetini okumak isterseniz, lütfen yukarıdaki telefon numarasını arayın, veya posta ya da e-posta adresi aracılığıyla bizimle temasa geçin.

Punjabi

ਜੇ ਤੁਸੀਂ ਇਸ ਦਸਤਾਵੇਜ਼ ਦਾ ਸੰਖੇਪ ਆਪਣੀ ਭਾਸ਼ਾ ਵਿਚ ਲੈਣਾ ਚਾਹੋ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਇਸ ਨੰਬਰ 'ਤੇ ਫ਼ੋਨ ਕਰੋ ਜਾਂ ਉਪਰ ਦਿੱਤੇ ਡਾਕ ਜਾਂ ਈਮੇਲ ਪਤੇ 'ਤੇ ਸਾਨੂੰ ਸੰਪਰਕ ਕਰੋ।

Hindi

यदि आपको इस दस्तावेज का सारांश अपनी भाषा में चाहिए तो उपर दिये हुए नंबर पर फोन करें या उपर दिये गये डाक पते या ई मेल पते पर हम से संपर्क करें।

Bengali

আপনি যদি এই দলিলের একটি সারাংশ নিজের ভাষায় পেতে চান, তাহলে দয়া করে ফোন করবেন অথবা উল্লেখিত ডাক ঠিকানায় বা ই-মেইল ঠিকানায় আমাদের সাথে যোগাযোগ করবেন।

Urdu

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Arabic

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Gujarati

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Greater London Authority

City Hall
The Queen's Walk
More London
London SE1 2AA

Enquiries 020 7983 4100
Minicom 020 7983 4458
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