

I am writing on behalf of Ealing Council in response to the “Proposed New Funding Condition to Require Resident Ballots in Estate Regeneration – Consultation Paper”, published by the Mayor of London in February 2018.

Whilst the guide "Better Homes for Local People" is in its final form, the Mayor has launched a [consultation](#) seeking views on requiring resident ballots as a condition of GLA funding for regeneration schemes. This requirement is expected to sit alongside the [draft London Plan](#), which contains policies requiring no net loss of affordable housing within estate regeneration schemes, and for net gains in affordable housing where possible. The draft London Plan is being [consulted on](#) separately and Ealing has sent its view on its proposals recently.

This current consultation seeks views on a proposal that a resident ballot would be required for estate regeneration schemes seeking GLA funding that include the demolition of homes. Where proposals include the demolition and replacement of existing homes, the Mayor believes those social tenants affected should be guaranteed full rights to return (or to remain through a single move), and leaseholders and freeholders must be offered a fair deal.

The consultation covers how the ballots would work in practice and what transitional arrangements should apply. In summary, the Mayor is proposing that the funding condition would be applied to any estate regeneration scheme for the construction of over 150 homes (of any tenure) which utilises GLA funding and which involves the demolition of homes owned by a social landlord.

As proposed the ballot would be a yes/no vote on a landlord's offer to residents, requiring a majority of respondents to vote in favour of the proposed development. Ballots would be open to all social tenants named on the tenancy agreements; resident leaseholders and freeholders who have been living at the property for at least a year and are named as the leaseholder or freeholder; and any resident who has been on the local authority's housing register for at least a year.

The ballot should only take place following a period of "consultation, engagement and negotiation" between residents and the landlord, but principally prior to the procurement of a development partner or the precise specification of the works.

The consultation proposes that, as a minimum, the landlord's offer to residents should cover:

- the broad vision, priorities and objectives for the estate regeneration (including the estimated overall number of new homes, scale of demolition, future tenure mix, green spaces and community facilities);
- details of the full right to return or remain for social tenants living in homes that are to be demolished;

- details of the offer for leaseholders and freeholders of homes that are to be demolished; and,
- commitments relating to ongoing open and transparent consultation and engagement.
The consultation recognises that the design of schemes may evolve after ballots, but the Mayor expects landlords to honour the outcomes of ballots. The Mayor proposes that the GLA would be able to claw back funding if it considers that a landlord's offer deviates materially from that agreed in a ballot.

The consultation proposes the following exemptions:

- where the proposed demolition is to facilitate a major infrastructure scheme, particularly a transport scheme;
- where the proposed demolition is in response to the safety of residents; or,
- where the specialist or supported housing scheme is being decommissioned by the local authority.

In terms of transitional arrangements the consultation paper proposes, as follows:

- There would be transitional arrangements which would mean that the new funding condition would not apply where demolition already has full or outline planning permission. Notwithstanding this, a ballot would still be required if the existing planning permission is varied, amended or renewed to include further demolition that was not part of the existing permission, and the total number of new homes is 150 or more.
- The new policy would not apply retrospectively. This means that if there is already a contract in place to fund a scheme then a ballot would not be required unless a significant change to the scope of the scheme is proposed.

Consultation Questions:

Question 1: Do you agree that the GLA should make resident ballots a funding condition for estate regeneration schemes?
No, Ealing does not agree that regeneration schemes should be conditioned to residential ballots.

Ealing considers that it already has robust processes in place to engage with the local community and sincerely believes that there is a widespread public perception amongst its residents that they are being listened to.

It is appreciated that this might not be the case across London and this consultation provides an opportunity to deal with the perception that there is a public trust issue on whether residents are being fairly treated.

Therefore, it is accepted that an essential part of any successful regeneration scheme should rely on gaining broad support to the regeneration from the residents affected as these have the most to lose from poorly thought out schemes. However, it is not essential that this is delivered through ballots.

In Ealing, although we do not have ballots we hold extensive (between a year to 18 months) consultation/information/education with Residents Steering Groups (RSG) formed as well as exhibitions, public consultation meetings and presentations to the Tenants and Residents Associations.

At the end of this process of involvement, if the RSG agree that redevelopment is the best plan for the estate, all residents are written to with an explanation of the decision and the intention to go to the Council's Cabinet for approval and if they disagree they can contact Ealing in a variety of ways and ultimately reported to the Council's Cabinet.

Our process has successfully progressed the regeneration of 8 estates in the borough.

Therefore, it is felt that there is reason for genuine doubts and concerns that if this process of continuous engagement with the community and its concerns is replaced with a balloting system (which is to be expressed through a simple binary yes/no vote) that there would be limited opportunities to engage and apply best practice to shape complex regeneration schemes, which inevitably and invariably come with complicated trade-offs between competing objectives.

Question
2:

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

The consultation covers how the ballots could work in practice and what transitional arrangements should apply. The Mayor is proposing that the funding condition would be applied to any estate regeneration scheme for the construction of over 150 homes (of any tenure) which utilises GLA funding and which involves the demolition of homes owned by a social landlord. It is understood that the homes owned by a social landlord are defined as affordable or leasehold homes whose freehold that landlord owns.

If ballots are going to be implemented, then Ealing has no objections to the proposed criteria for resident balloting.

Question
3:

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

The consultation's proposal is to include social tenants but to exclude non-resident private owners, private rental tenants, commercial occupiers and owner-occupiers who have moved in within 12 months.

This is in line with Ealing's current practice of not including non-resident leaseholders or their tenants in the consultation process as there is no obligation on the Council to rehouse

Question
4:

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

The ballot would take place following a period of "consultation, engagement and negotiation" between residents and Ealing, but principally prior to the procurement of a development partner or the precise specification of the works.

It is appreciated that an estate regeneration project that is supported by the local population would be more attractive to developers and investors. However, the proposal that ballots could take place before a developer has been secured raises challenges for Ealing since schemes can often be generally indicative and aspirational at this early and quite conceptual stage.

The natural progression is that regeneration schemes will be optimised during the procurement and planning process and therefore it would be unclear how Ealing should present their proposals at this stage, given that Ealing would be openly and publicly committing itself.

In any eventuality, if the regeneration proposals were too ambitious, Ealing could run the risk that no developer would collaborate. Conversely, if Ealing played it safe, there would be no opportunity to use 'competitive tension' between developers to deliver the more aspirational elements of the scheme.

Question
5:

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

It is understandable that the Mayor wants the ballots to take place before regeneration projects are too far advanced as to ensure that work is not wasted in pursuing fruitless options. However, as discussed above, this can have a significant impact in attracting development partners to regeneration schemes.

Question
6:

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

Ealing does not agree with the “residents in need of social housing on the estate” having a vote. If there are a large number of residents in temporary accommodation this may skew a vote one way or the other and away from the wishes of the residents who have lived on the estate the longest and have contributed the most to the community. However, it is recognised that if the vote is taken at the end of an adequately designed pre-decision consultation period there would be very few people in temporary accommodation.

There are also concerns regarding the proposal that there should be “no limit on the number of eligible voters per household” and clarification is required as to the allocation of vote entitlement per household. As proposed, it is likely that larger families will be disproportionately represented in the ballot.

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

When social landlords like Ealing can reasonably demonstrate that they have been holding extensive periods of engagement with residents through consultation/information/education with Residents Steering Groups (RSG), public consultation meetings and presentations there should be no further mandatory requirement to hold a resident’s ballot as a pre-condition for grant funding.

Question 8: Do you agree with the Mayor’s proposed requirements for implementing ballots? Why/why not?

The proposed requirements for ballots are thoroughly set out but it is not clear how the multiplicity of issues to consider can, on balance, be reasonably reduced to a simple yes/ no binary choice.

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

No.

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

Infrastructure delivery is a sound ground for exemption. However, there can often be overlap between infrastructure and residential development i.e. changing road layout may facilitate wider regeneration involving council estates. It would therefore be helpful to clarify the terms of this exemption and calibrate with precision when the exemption should or should not apply.

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

It is considered that this exemption is essential.

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

We have no comments to this proposal.

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

Please see response to Question 7 whereby Ealing sets out its view that exemptions should be applicable also in the instances where social landlords can reasonably demonstrate that an extensive period of consultation and engagement with existing residents informed the Regeneration scheme.

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

There would be transitional arrangements which could mean that the new funding condition would not apply where demolition already has full or outline planning permission. However, a ballot would be required if the existing planning permission were to be varied, amended or renewed to include further demolition that was not part of the existing permission, and the total number of new homes exceeded 150 units.

The nature of regeneration schemes means that these tend to change, often significantly, between initial concept and final design, and normally as a result of planning requirements, adverse market conditions, or ideas simply evolving as more detailed effort is put into them.

It is not clear what the trigger would be where the changes to a scheme become disproportionate, or what happens when the trigger point is reached. Is it proposed that a second ballot is carried out? And if there is, what happens if the second ballot is lost? The level of uncertainty brought into financially sensitive schemes could mean that developers would be excessively cautious of signing up to schemes where there would be no clear, predictable process to deal with design changes.

CONCLUDING REMARKS

Ealing Council welcomes the opportunity to comment on the “Proposed New Funding Condition to Require Resident Ballots in Estate Regeneration – Consultation Paper” and to work with the Mayor and his team to shape its content as it moves towards adoption. Ealing is a pro-active, pro-growth borough that is proud of its record of achievement in delivering regeneration across the borough.

We have forged and enjoyed a strong working relationship with the GLA family (including Transport for London and the OPDC) that has helped accelerate opportunities for growth and development. The benefits of this collaboration can be seen in opportunity areas, estate regeneration schemes and other developments in all parts of our borough.

We agree with the Mayor that London needs to ensure that any proposals for estate regeneration schemes seeking GLA funding that include the demolition of homes should include the right to return or remain for social tenants, and a fair deal for leaseholders and freeholders. However, Ealing has two existing estates with 1 bedroom dwellings exceeding 70% of the total units. As such, it is important to help set out the circumstances when it may not always be possible to guarantee the full right to return, in particular when the typologies on existing estates are skewed to 1 bedroom units.

Viability is another aspect that is not mentioned but is a crucial part of the initiation and ongoing development of estate regeneration. Ballots tend to give the impression that schemes will proceed so it would be supportive if the GLA stood behind such schemes with sufficient gap funding where a successful ballot has taken place.

In this instance, whilst noting how it is being proposed, Ealing raises concerns as to how a binary vote can be best utilised to design complex regeneration schemes, which inevitably come with complicated trade-offs between different objectives.

There is a danger that honest and open conversations about the often necessary compromises of regeneration will be diverted by other issues potentially for reasons or agendas beyond the specific details of the scheme proposed.

In summary, Ealing's position is that there still are many difficult questions over who is balloted, when, and how. But the debate around trust in Estate Regeneration schemes is an important one, and arguably it is one where the Mayor's intervention would be welcome. If the Mayor gets this right, it will be an unmissable opportunity to rebuild public trust in the regeneration schemes that London so desperately needs.

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