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# The ALTERNATIVE Good Practice Guide to Estate Regeneration.

ESTATE WATCH ([www.estatewatch.london](http://www.estatewatch.london))

19th October 2022

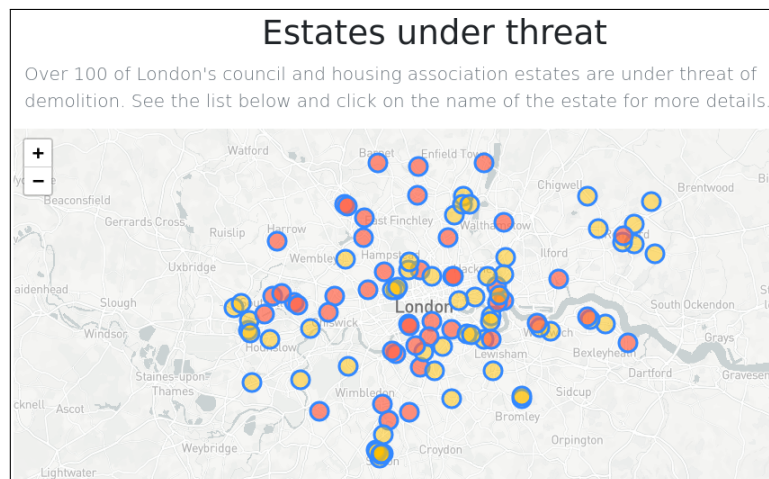


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## Introduction

An increasing number of London's council and housing association estates are being earmarked for redevelopment. We estimate that there are currently **over 100 estates earmarked for demolition**.



**Figure 1:** Screenshot from [www.estatewatch.london](http://www.estatewatch.london) showing London's estates under threat of demolition.

In response to increasing reports of residents being sidelined in estate regenerations the Mayor published a **Good Practice Guide** in 2018.

The guide is entitled '*Better Homes for Local People*' but it leaves many important issues open to interpretation and a number of loopholes to be exploited. It also lacks effective mechanisms to ensure that policies are adhered to both at planning and delivery stages.

The guide is also focused almost exclusively on housing and ignores other important aspects of estate regeneration like providing better community facilities and public spaces.

It is in need of a complete overhaul if estate regeneration is to genuinely provide better living conditions for local people.

We want the Mayor to issue revised guidance setting out new parameters for estate regeneration, which genuinely secures better homes for estate residents and not necessarily by way of knocking them down.

Using feedback from residents on estates under threat of demolition, we have put together an alterna-



tive good practice guide showing what progressive policy guidance on estate redevelopment would look like.

In **Section 1** we look at the decision-making process affecting estate redevelopment and show how the Mayor's current guidance falls short of the mark in involving estate residents from the start. We also look at the options appraisal process and how it can be firmed up to ensure that schemes really do comply with the Mayor's requirement to pursue demolition only as a last resort.

This is followed up with a few words on how better homes can be provided via a combination of refurbishment and in-fill development, providing a greater uplift in social rented housing while helping achieve the Mayor's bold targets on climate change.

**Section 2** looks at estate ballots, showing how the current process is flawed and explaining how it can be fixed.

**Section 3** looks at affordable housing and its murky definitions, minimum policy requirements and replacement social rented housing.

**Sections 4 and 5** look at ensuring that tenants and leaseholders secure new homes in any redevelopment and on equivalent terms.

**Section 6** looks at build quality, social infrastructure and ensuring that promises made to residents are honoured from start to finish.

## 1 Decision Making

### 1.1 Key principles

Estate regeneration follows the logic of the financialised planning system, which prioritises financial viability over social benefit. The Mayor's funding currently focuses on new build housing stock rather than on retrofitting the existing housing stock, making it more viable for local authorities to demolish the existing homes and build new ones. An added difficulty is the VAT cost for refurbishment/retrofit, which does not exist in new build. This VAT is currently being cut to 0% for some energy saving interventions in housing retrofit.

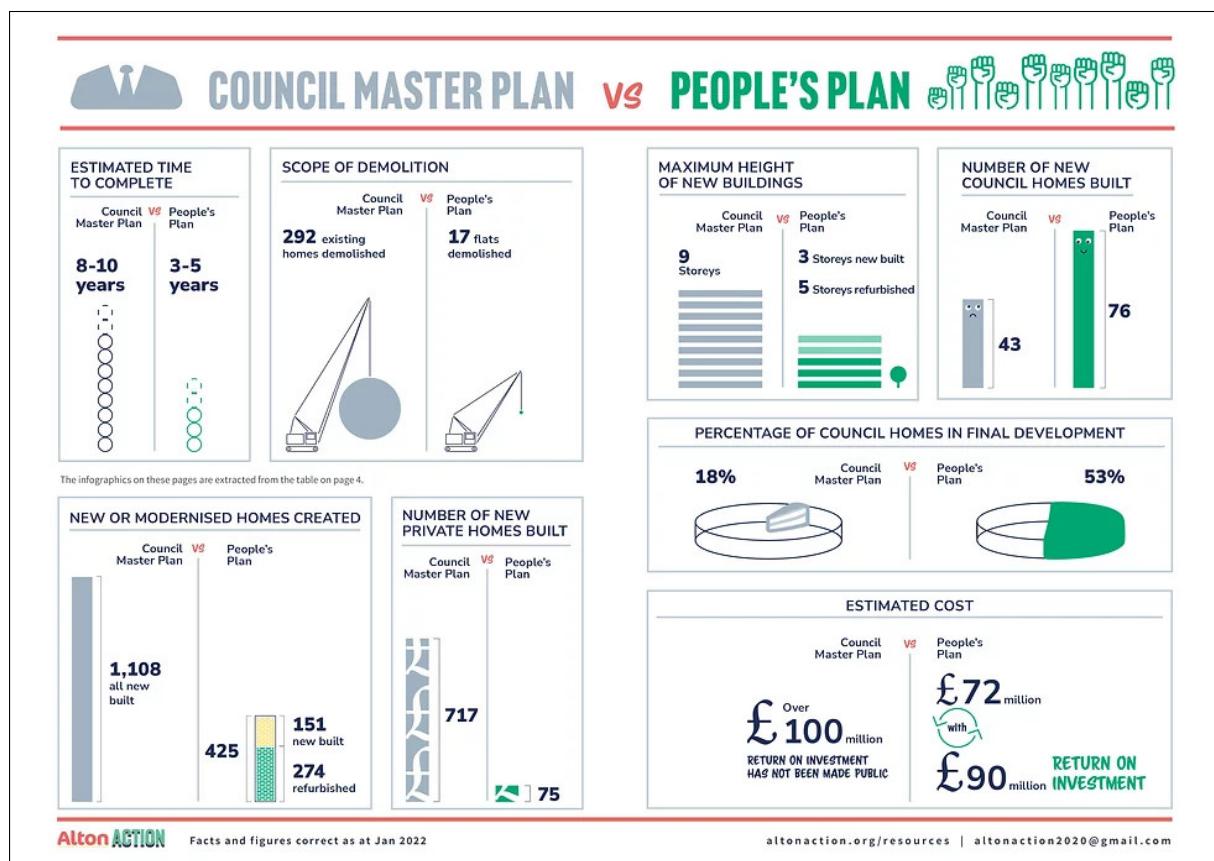
The result of the current funding system for social housing is that it prioritises demolition and redevelopment over refurbishment/retrofit. If we look at the [funding allocations](#), we can see how local authorities that have carried out (or are planning) large demolition and redevelopment schemes such as the London Borough of Brent are among those that have received more funding.

On most occasions, in estate regeneration schemes, the density is more than doubled and the square meters of community spaces is reduced. This results in a substantially reduced ration of community

space per home. While infill can be a better option than demolition, it needs to be done in collaboration with residents and ensure that there is no loss of open spaces, community spaces and other social infrastructure – and an overall increase of social infrastructure that is proportional to the densification.

Social infrastructure – such as community spaces, libraries, and spaces where people can meet and foster social relations – are key for creating more resilient communities, particularly on the ongoing climate and health emergencies. The loss of these community spaces does not improve people's lives, but make it much more challenging, particularly to communities at risk.

Redevelopment is routinely presented to residents as the only option - i.e. there is no alternative. In cases where alternatives to demolition have been professionally explored and presented, residents have overwhelmingly backed refurbishment. For example, the St. Raphael's estate in Brent or the Alton estate in Wandsworth.



**Figure 2:** Extract from the Alton estate People's Plan.

**Policy Proposals 1(a)**

1. The Mayor must ensure residents have been given alternative options to choose from, with refurbishment always considered prior to other options. Resources must be provided to ensure the technical and presentational fairness of options, including detailed, social economic and environmental comparisons of options.
2. The Mayor must scrutinise the funding applications for new-build homes and the referred planning applications for evidence that these options - and the options appraisal - have been co-designed with residents and that residents' confirmation of this has been obtained.
3. To incentivise local authorities and housing associations to choose retrofitting over redevelopment, the Mayor will put in place a funding scheme for both retrofitting and repairing the existing housing stock. Funding should cover both bringing the homes to an energy efficiency standard that addresses the challenges coming from the ongoing climate emergency, and repairing the issues associated with the lack of maintenance and upgrade, including fire safety (replacing dangerous cladding), damp and mould, ventilation, etc.
4. In council estates where any infill development is proposed, the decisions of adding more homes should be done through a co-design process with the residents and be subject to a ballot. The focus should always be on delivering council rent homes, rather than a mix of tenure, given the backlog on local authorities' housing lists.

The Co-design principles are defined as follows:

- \* Treating residents/resident organisations as partners, central to the process and involved in joint decision making from the very beginning.
- \* A commitment to sharing power, giving practical support, resourcing and up-skilling to enable residents to participate effectively.
- \* Recognising the value of lived experience that residents bring to the table.
- \* Full transparency and ensuring that the co-design process leads to improved outcomes to the benefit of residents.

**1.2 Demolition as an absolute last resort, not a tick-box exercise.**

The Mayor's current policy requires alternatives to be considered and demolition to be pursued only as a last resort. But it fails to specify any details of how this process should be considered.

This has led to the situation where the Mayor is routinely signing off estate demolitions with a mere tick-box acknowledgement to this requirement. Here is how the Mayor's planning report signs off the demolition of Kingston's Cambridge Road estate:



42 GLA Officers understand that many of the existing residential buildings at the estate are poor in terms building quality and energy efficiency, ventilation, noise transfer, and present several design and legibility challenges. Additionally, it has been presented that it was advised that it would be uneconomic to refurbish to a satisfactory standard and that the estate in its current form presents challenges in terms of access and permeability. As such, the premise of the resident-led development is supported in principle.

**Figure 3:** Extract from the Mayor's planning report signing off the Cambridge road estate redevelopment.

This short paragraph dismissing refurbishment as 'uneconomic' and inferring that the existing buildings are of poor build quality and design, are completely unsupported by any evidence.

There needs to be a policy presumption against demolition and in favour of refurbishment. If estates really are beyond repair then this needs to be supported by a robust evidence base.

### 1.3 Funding - Fund refurbishment - not demolition!

The Mayor has a number of funding programmes to help increase the number of council homes, as well as funding the direct delivery of council homes, there is the **Land for Council Homes Revenue Fund**, which aims to help councils identify and unlock land on which to build homes and to boost the skills and capacity of boroughs' in-house housing, planning and regeneration teams.

There is also the Mayor's **Right to Buy-back** funding programme, which since launching a year ago has allocated £152m to councils to purchase market homes to convert to council homes.

In total the Mayor has allocated £1bn to his Building Council Homes for Londoners grant funding programme, but just £160m to retrofitting social housing (Social Housing Decarbonisation Fund).

It makes little sense that the Mayor is helping fund the demolition of council estates, with money intended to increase the supply of council homes.

The Mayor's current guidance says that '*Funding will not be available for units that replace homes that have been, or will be, demolished*' unless they are 'obsolete' or in 'exceptional circumstances'. The ambiguity of the term 'obsolete' enables the Mayor to continue funding the demolition of council homes. The most recent example is his allocation of £28m to fund the next phase (2B) of the Aylesbury estate redevelopment.

We think the Mayor should remove the caveat, divert funds and incentivise refurbishment by funding retrofit schemes instead of demolitions.

**Policy Proposals 1b**

\* There will be a general policy presumption against estate demolition and in favour of refurbishment. Demolition should be considered only as a last resort and be supported by detailed evidence via a robust options appraisal process.

\* Options appraisals must include the following as a bare minimum:

1. A Whole Life Carbon Assessment undertaken according to [RICS Standards](#), which makes a comparison not between redevelopment and the energy efficiency of existing buildings but that of the estate were it to be refurbished.
2. A detailed cost/benefit analysis, which takes into account not only the ongoing loss of revenue from any net loss of social-rented homes, but also any increased temporary-housing costs incurred as a result of any impact on local authority housing waiting lists.
3. This must also fully account for the cost of decanting the estate, rehousing tenants and providing a like-for-like swap for leaseholders (see section 5.3 for more info on this).
4. All options appraisals must include a refurbishment option, which provides full details of specifications, full breakdowns of associated costs and offsets against potential funding sources.
5. Appraisals must include the opportunity cost of any public funds considered for allocation to the scheme. For example, whether funds would be better spent building council homes on land which doesn't require the demolition of existing homes.
6. Appraisals should be undertaken according to the government's [Green Book Appraisal Standard](#).
7. All appraisals should include a detailed Environmental Impact Assessment, Social Impact Assessment and a detailed Equalities Impact Assessment.



An Options Appraisal is a detailed assessment which looks at the economic, social and environmental benefits/disadvantages of various options for any potential redevelopment options against other options like refurbishment, partial redevelopment or in-fill development.



RICS (Royal Institution of Chartered Surveyors) is the professional body for setting standards in construction.





The government's Green Book Appraisal Standard provides guidance on how to appraise and evaluate policies, projects and programmes. Appraisal of alternative policy options is an inseparable part.

## 2 Estate Ballots

### 2.1 How the current ballot process is flawed

The Mayor's good practice guide introduced a requirement for residents to be balloted on any scheme proposing to demolish their homes.

By far the most controversial aspect of this is that the Mayor has granted exemptions from his ballot requirement for around half of London's estates under threat, including many of the largest estates like the Aylesbury, South Acton and Grahame Park estates.

He granted the exemptions on the basis that these schemes were already underway, but many of the estates are still standing and still occupied.

The second problem is that the Mayor's current guidance only requires ballots in order for schemes to obtain his grant funding.

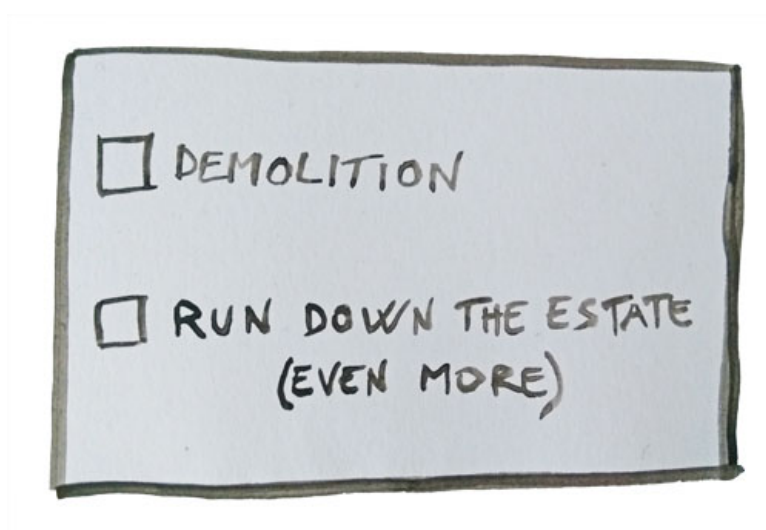


This has led to many schemes avoiding applying for grant funding in order to avoid the risk of balloting residents on the demolition of their homes.

Further complications with the Mayor's ballot requirement are as follows:

1. Smaller estates (under 150 homes) are excluded from the Mayor's ballot requirement and some landlords are 'salami slicing' - i.e. redeveloping their estates bit-by-bit to avoid having to ballot residents.
2. Some ballots are being repeated after a NO vote until a positive ballot is obtained.
3. Some intermediate rent and market rent tenants are excluded from being able to take part in ballots.
4. Significant resources are being allocated to YES vote campaigns while NO vote campaigns remain entirely unfunded.

5. Estates are being decanted well ahead of any ballot so that the majority of residents at the time of a ballot are temporary tenants, who are incentivised to vote for demolition on the promise of a secure tenancy.
6. The proposed social housing quota set out in ballot offers is being watered down as schemes enter the planning process.
7. In many cases, Council officers or employees of the landlord are knocking on doors and helping residents to fill out their ballot papers in what is supposed to be an independent process.
8. Residents are faced with a choice of redevelopment or continued decline in living conditions - refurbishment is never offered as an option on the ballot paper.



**Figure 4:** Residents are presented with the false choice of demolition or disinvestment

## 2.2 Ten steps to rectify the ballot process

### Policy Proposals 2(a)

1. The Mayor should remove his exemptions for all schemes where detailed planning permission has not yet been granted. Requiring ballots phase by phase will enable tenants to consider what has happened in an earlier phase, even if there has been partial demolition.
2. The Mayor's ballot requirement should apply to all estate demolitions, irrespective of their size or whether they apply for grant funding. All schemes that involve any demolition of social housing must have the support of the majority of residents via a ballot or the Mayor will use his call-in powers to prevent redevelopment being approved.
3. All ballots should be held before any decant begins - i.e. before residents are starting to be rehoused and void homes demolished or used for temporary housing purposes.
4. Any Landlord Offer must include detailed tenure mix proposals, showing floorspace in square metres used as the measure to calculate the proportion of the overall affordable housing mix. It should also include details of the proposed unit mix to ensure no net loss of family-size social rented homes.
5. Given that refurbishment is to be the alternative option in a ballot, when residents vote against demolition then their homes must be refurbished.
6. Council officers or employees of the landlord should be excluded from involvement in the ballot process. If residents need help in completing ballot papers this should come from independent organisations - not local authority officers, councillors or other employees of the landlord. The organisation that is supervising the ballot must remain strictly neutral and not provide voting returns until the ballot is completed.
7. All residents of an estate earmarked for demolition should have the right to vote in a ballot, regardless of their tenure status, providing they have lived on the estate for at least 12 months and are registered on the local authority's housing register or intermediate housing list.
8. Culture and language must be considered - in leaflets and posters. A significant proportion of residents on estates under threat do not have English as a first language. Not just translations should be considered but also engagement in general, for example, making use of community associations and community elders.
9. As well as funding for residents to engage in democratic processes, there should also be limits on how much social landlords can spend in promoting demolition.
10. All ballot results must be tabulated separately for different tenure groups and require an overall majority of at least 50% of residents.



A 'Landlord Offer' is a document which is provided to residents at the time of the ballot, which sets out the redevelopment proposals that residents will vote on.

## 3 Affordable Housing

### 3.1 Murky definitions

The Mayor's current guidance says that estate redevelopment must ensure that "*affordable homes demolished are replaced on a like-for-like basis*", but this is contradicted by his London Plan policy H8, which says that replacement social housing must only be re-provided as social rent where it is facilitating a right of return to an existing social rent tenant.

In addition to this caveat, the Mayor continues to sign off schemes where all social rented homes are replaced by **affordable rented** homes.

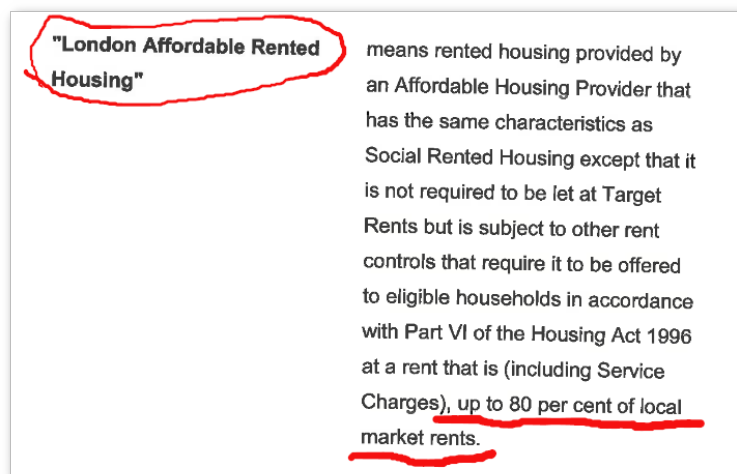


'Affordable rent' is a tenure introduced by the Conservative Government in 2011, which allows rents to be charged at up to 80% of market rent.

To confuse matters further, when Sadiq Khan first became Mayor of London he introduced a new tenure called 'London Affordable Rent', which sets out benchmark rent levels. While these are not far off Affordable Rent levels once service charges are added, the Mayor describes them as 'genuinely affordable'. Even more confusing, at times, the Mayor's office and local authority officers refer to London Affordable Rent homes as 'social rent', which they are not.

In addition, the Mayor appears to be allowing social landlords and developers to make up their own definitions. For example, in its redevelopment of the Gascoigne estate, Barking and Dagenham council has defined London Affordable Rent as up to 80% market rent.

80% market rent is well beyond the means of a substantial proportion of London's households. Traditional social rented housing is all that many can afford and London cannot afford to lose any more of this through estate demolitions.



**Figure 5:** Extract from the Gascoigne estate redevelopment's [section 106 agreement](#)

#### Policy Proposals 3(a)

- \* There must be no ambiguity about the tenure of replacement social housing in estate redevelopments. All schemes must provide replacement **social rented** housing, determined according to the formula rent set out in paragraphs 2.4 to 2.6 of the government's [Rent Policy Statement](#), regardless of whether it is facilitating tenants' right to return or providing additional social housing.
- \* New procedures will be introduced for section 106 agreements to be signed off by the Mayor. The current process relies merely on trust that section 106 obligations agreed when the Mayor signs off a planning application, are subsequently secured in a s106 legal agreement.



The government's Rent Policy Statement sets out a formula for determining the rent levels for social rented housing and can be found here: <https://www.gov.uk/government/publications/direction-on-the-rent-standard-from-1-april-2020>

### 3.2 Viability and protected profit margins

The majority of London's estate redevelopments are undertaken by social landlords or other supposedly non-profit organisations. But when it comes to assessing viability, the current process treats them as developers and allows them to ring-fence a protected profit margin before calculating how much affordable housing a scheme can provide.



A viability assessment is required to be submitted during the planning stage for estate redevelopments and its purpose is to demonstrate that a scheme is providing as much affordable housing as it possibly can.

For example, in its redevelopment of the Aylesbury estate, housing association Notting Hill Genesis secured a protected 21% profit margin in its [viability assessment for the scheme](#). This represents £163m of income revenue from private sales in the scheme which has been ringfenced for Notting Hill's profit/surplus rather than being used to increase the level of affordable housing.

Revenue	FDS Units	FDS Appraisal	Masterplan units - inc. FDS	Masterplan Appraisal
Private	365	£126,747,123	1708	£768,950,806
Affordable Housing	403	£84,508,174	1793	£257,890,698
Market Rent	47	£14,559,884	47	£14,559,804
Carparking	99	£1,485,000	766	£11,340,000
<b>Total Revenue</b>		<b>£227,300,181</b>		<b>£1,052,741,308</b>
<b>Costs</b>				
Acquisition		£17,523,000		£51,028,558
Construction		£145,694,204		£656,815,128
Prof. Fees & S106		£26,401,120		£119,011,929
Marketing & Lettings Fees		£5,128,565		£30,817,432
Disposal Fees		inc.above		inc.above
Finance		£5,724,484		£31,251,833
<b>Total Costs</b>		<b>£200,471,373</b>		<b>£888,924,880</b>
Profit		£ 26,828,808		£ 163,816,428
Profit on PS GDV%		21%		21%
Note: Profit is 21% of private sales income including car parking				

**Figure 6:** Extract from Notting Hill Genesis's viability assessment for the Aylesbury estate redevelopment

Non-profit organisations whose goal is to maximise the provision of low-income housing, should not be ring-fencing financial profit from the demolition of social housing estates. The same principle and rule should apply to local housing companies and special-purpose vehicles set up by local authorities.

Another issue with the way viability assessments for estate redevelopments are carried out is that of land acquisition payments - i.e. payments made by developers or development partners to the council/housing association for the sale of the land. In the above example of the Aylesbury estate, it can be seen that Southwark Council is receiving £51m for the sale of the land, with no reinvestment



constraint to increase the quota of affordable homes. Estate redevelopment should not be about cashing in on rising land values, it should be about maximising the amount and quality of replacement affordable housing and social infrastructure.

Another problem with viability is that schemes are routinely ignoring the Mayor's policy requirement for viability assessments to be made public. The Mayor also requires schemes to undergo mid-stage and late stage viability reviews to ensure that any uplift in viability is transferred into an improved affordable housing offer rather than developer profit. Currently, these reviews are not published and it is impossible to know whether these reviews are being undertaken or whether they have led to an improved affordable housing offer.

#### Policy Proposals 3(b)

- \* Where an estate is being redeveloped by a housing association, local authority or development vehicle in which the local authority has a stake, the viability assessment must exclude any protected profit when assessing the maximum viable level of affordable housing.
- \* The same applies to land acquisition payments - these should be excluded from viability assessments when assessing the maximum viable level of affordable housing.
- \* A dedicated web page will be published by the GLA for every estate redevelopment. The page will include all viability assessments submitted by the developer as well as any appraisals of those assessments at local authority and GLA level.
- \* Similarly, all mid-stage and late-stage viability reviews and appraisals will be published as well as section 106 agreements.
- \* The reporting will follow through to delivery and enable longer term monitoring and enforcement.

### 3.3 50% minimum requirement

The Mayor has policy target that 50% of all new homes are provided as affordable housing. On public land this is also his minimum policy requirement. The Mayor's current guidance also says that there should be no net loss of social rented housing in any estate redevelopment.

Despite this the mayor continues to sign off schemes that don't comply with the 50% affordable or the no net loss requirement. Some examples include:

- [High Path estate](#) - 20% affordable with all replacement social housing at up to 80% market rent.
- [Eastfields estate](#) - 31% affordable with replacement social housing at up to 80% market rent.
- [Gascoigne estate](#) - 42% affordable with all replacement social housing at up to 80% market rent.
- [Thamesmead estate](#) - 39% affordable with all replacement social housing at affordable rent of up to 80% market rent.

- [Westbury estate](#) - 38% affordable housing
- [New Avenue estate](#) - 34% affordable housing
- [Waterloo Road estate](#) - 40% affordable housing
- [Douglas Bader Park estate](#) - 28% affordable housing by unit/40% by habitable room
- [Lansbury South estate](#) - 36% affordable housing
- [Cambridge Road estate](#) - 36% affordable housing

In addition, the Mayor appears to be allowing applicants to decide how they calculate the affordable housing requirement by habitable room or overall number of units, according to which best suits them. Neither of these provides an accurate measure of the precise tenure mix - the only reliable measure is floorspace.

#### Policy Proposals 3(c)

- \* All affordable housing provision in estate redevelopments must be calculated according to floorspace.
- \* This also applies to tenure mix information supplied in the landlord offer at ballot stage, so that accurate comparisons can be made.

### 3.4 Meeting local housing need

Our Policy Proposals put full emphasis on the 50% affordable minimum requirement as well as requiring a minimum uplift in social rented housing. It is unacceptable that the Mayor continues to sign off schemes which fail to replace or barely replace the social housing being lost, despite them receiving a significant amount of public funding.

It is often the case that as families are rehoused, many are discovered to be living in overcrowded conditions due to London's general shortage of social housing. In 2017, a [benchmarking report](#) commissioned for the redevelopment of Aylesbury estate, found that:

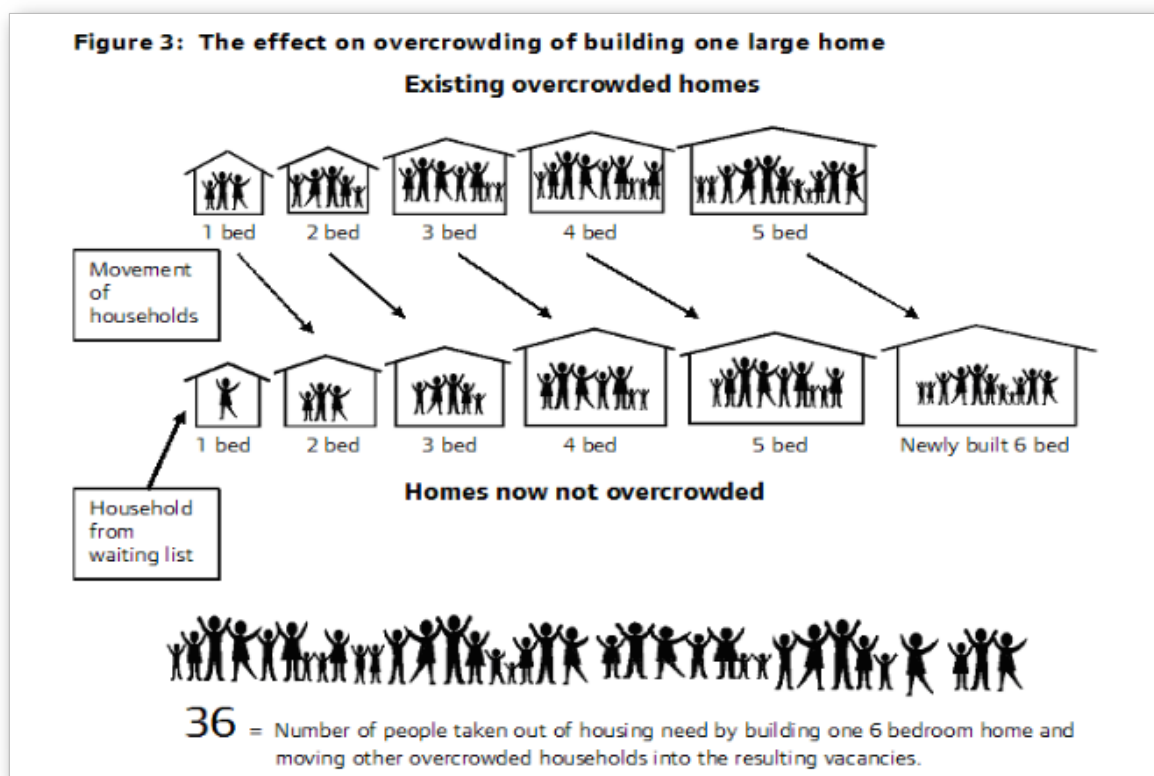
*"Overcrowding on the estate is high. Census data suggests that over 47 per cent of residents were living in homes with more than 1.5 people to a room, higher than the Southwark average of 30 per cent. 27 per cent of people interviewed for the residents survey reported that they had five or more people living in their homes, one household was home for 13 people."*

As these overcrowded households are rehoused as part of the decant process, they naturally upsize to larger properties, which puts extra pressure on the supply of reprovided social housing.

This is further exacerbated by the fact that reprovion in the majority of estate redevelopments is focused on smaller dwellings (1 and 2 beds) rather than family homes. For example, despite signifi-

cantly increasing the overall density, the redeveloped Aylesbury estate will result in a net reduction of around 200 social rented family homes (3bed or larger).

A [report](#) by the London Assembly Housing Committee, says that more than 200,000 of the capital's families are overcrowded - an increase of a third in ten years, with the situation most acute in London's social rented housing. It also shows that building one six-bedroom social rented home, can solve the overcrowding problems of 36 Londoners – when taking chain lettings into account.



**Figure 7:** Extract from the London Assembly's Housing Committee report on overcrowding

Given that London's most acute housing need is for family-size social rented homes, there needs to be a policy presumption preventing these scarce resources being lost to estate demolitions and a requirement for all estate redevelopment to contribute towards meeting this housing need.

**Policy Proposals 3(d)**

- \* Where schemes fail to comply with the 50% minimum affordable housing requirement, the Mayor will use his call-in powers in order to prevent planning applications being approved.
- \* In order to accommodate existing overcrowded households in estates being redeveloped, all social rented housing lost through estate demolition needs to be reprovided with an additional 20% uplift. Should any schemes fail to provide this then the Mayor will use his call-in powers, in order to prevent planning applications being approved.
- \* In order to contribute towards meeting the capital's most acute housing need, all estate re-development must provide a minimum 20% net increase of family-size (3bed+) social rented homes. The Mayor will use his call-in powers to prevent any schemes failing in this regard being approved.

**3.5 Deviations from tenure mix proposed at ballot stage**

Schemes are coming to planning stage with a lower proportion of social rented housing than that promised in Landlord Offers at ballot stage. For example, the [Geoffrey Close estate in Lambeth](#) and the [High Lane estate](#) in Ealing.

Again, the Mayor continues to turn a blind eye to this sleight of hand.

**Policy Proposals 3(e)**

Where schemes deviate from the tenure mix set out in the landlord offer, or fail to comply with any of the minimum affordable housing requirements listed above, the Mayor will use his call-in powers, as recommended by the London Assembly Planning Committee following its session with community organisations, in order to prevent the planning application being approved.

**4 Tenant Rehousing****4.1 Phased rehousing**

It is generally accepted that on estates where redevelopment is the only option, the estate should be redeveloped in phases such that tenants can move directly into new homes as they are built.

But the Mayor's good practice guide is silent on this and the Mayor continues to sign off schemes where tenants are all moved out at once into existing stock elsewhere in the borough and then given a 'right

to return' which can mean waiting for several years or even decades - see the [Waterloo Rd estate](#) as the latest example of this, which the Mayor [signed off](#) in November last year.

This is disruptive, not just to the families affected but also to those on housing waiting lists who get shunted down the list to facilitate estate demolitions.

For example, Southwark Council started 'decanting' residents from the Heygate estate in 2006 and the scheme is not due to complete until 2026. This is two decades of blight, which has taken its toll not just on the families promised a 'right of return' (only 13 have returned to date) but also on the local area and the impact this has had on the council's housing waiting list.



**Figure 8:** The demolished Heygate estate standing empty for several years

## 4.2 Decants, delays and impacts on waiting lists

Estate redevelopment schemes are often subject to delays for different reasons. Sometimes developers will sit on vacant land while waiting for property values to rise in order to maximise profit. Sometimes land will sit empty after a development partner pulls out of a joint venture or cannot commit funds as a result of liquidity or internal budget constraints.

In 2019, Southwark Council's development partner for redeveloping the Aylesbury estate was [forced to scale back](#) its development pipeline because of liquidity constraints and changing market conditions. The first phase of the scheme subsequently [bailed out](#) by Southwark Council with over £200m of council funding. Meanwhile, more than 600 council homes remain empty after being decanted on phase 2 of the scheme, for which a detailed planning consent is still not yet in place.

Some of these 600 homes have remained empty for eight years since the decant of phase 2 began in

2014. To date, around 2,000 existing council homes in Southwark have been taken up by decanting tenants from the Heygate and Aylesbury estates alone.



**Figure 9:** Over 600 empty council homes stand empty on phase 2 of the Aylesbury estate

Such delays in reprovion are a blight on the surrounding community and have significant impact on housing waiting lists. They also create unsafe environments inviting crime and anti-social behaviour, which can lead to serious incidents like the Damilola Taylor murder on the semi-decanted North Peckham estate.

#### Policy Proposals 4(a)

- \* All schemes must involve an incremental phased demolition and decant such that residents can move directly into new homes on their estate footprint.
- \* Detailed planning consent must be granted and developments agreements signed with agreed **long-stop completion dates**, guaranteeing the above before any decant process can begin. This will reassure residents and avoid developers 'landbanking' or using a blighted site as leverage in negotiations with local authorities.



A **long-stop completion date** is a date by which a developer agrees to have completed a development.



## 5 Leaseholder Rehousing

### 5.1 Defining what is a fair deal

In his foreword to the Good Practice Guide, the Mayor says that *“When done well, estate regeneration can offer existing tenants and leaseholders better homes.”*

The Guide requires that tenants are offered new homes on their redeveloped estate on the same tenancy terms but it makes no such requirement for leaseholders. Whilst it **suggests** that shared equity or home swap options are offered, the only **requirement** is that *“leaseholders and freeholders must be offered a fair deal.”*

### 5.2 The problems with shared equity

Most current schemes offer some kind of shared equity deal for leaseholders on replacement homes but these are riddled with a number of problems.

Every shared equity scheme is different and subject to small print depending on the council or RSL operating it. Some schemes are means tested and subject to a degree of ‘gatekeeping’ - i.e. leaseholders are asked to fill out a financial assessment and are only offered shared equity if they can show that they can’t afford to take out a mortgage or pay rent on the unowned shared.

Others require rent to be paid on the unowned share after a certain number of years regardless. For example, the small print in Ealing Council’s [Shared Equity scheme](#) requires leaseholders to take out a mortgage and pay rent on the unowned share after 5 years:

- 5.1 During the life of the Equity Share Assistance scheme, no interest or rent is payable on the amount of equity owned by the Council in the first 5 years.
  - 5.2 Rent becomes payable following the fifth anniversary of Equity Share Assistance scheme being applied.
  - 5.3 Rent will be charged on the Equity Share owned by the Council at a rate in line with the government’s Social HomeBuy rent rate for shared home ownership.

**Figure 10:** Extract from Ealing Council’s shared equity scheme

Some schemes have minimum thresholds where leaseholders are required to purchase at least a 50% or in some cases 80% share, which requires them to sink personal savings into the scheme or take out

a second mortgage to meet the threshold. Many schemes also require current mortgages to be ported across, which excludes leaseholders whose mortgages are not portable.

A number of schemes don't allow the equity share to be passed on to family and some require the leaseholder to pay the landlord's share of any major works charges (i.e. the leaseholder is effectively subsidising the increase in value of the landlord's asset).

Other schemes contain small-print clauses like [Havering's shared equity scheme](#), which requires leaseholders to staircase out the unowned share within 25 years. Southwark's initial shared equity schemes prevented the leaseholder's share from increasing in line with property market increases. Most schemes also prohibit subletting and subject leaseholders to regular occupancy checks.

A further complication is that leaseholders are often obliged to accept the Council/RSL's valuation of their current home and that of the replacement home, both at the time of purchase and in the event the leaseholder should wish to sell up. Some also contain pre-emptive clauses giving the Council or RSL first right of refusal, or requiring the home to be marketed as a shared ownership home rather than on the open market.

This has led to very few leaseholders taking up shared equity offers, with the vast majority forced to relocate to areas where property prices are lower with the sometimes very low offers of compensation offered by councils and housing associations.

The **home swap** option avoids all of these complications because it is a simple swap - a replacement home for the one that is being demolished on the same terms i.e. full, not part-ownership.

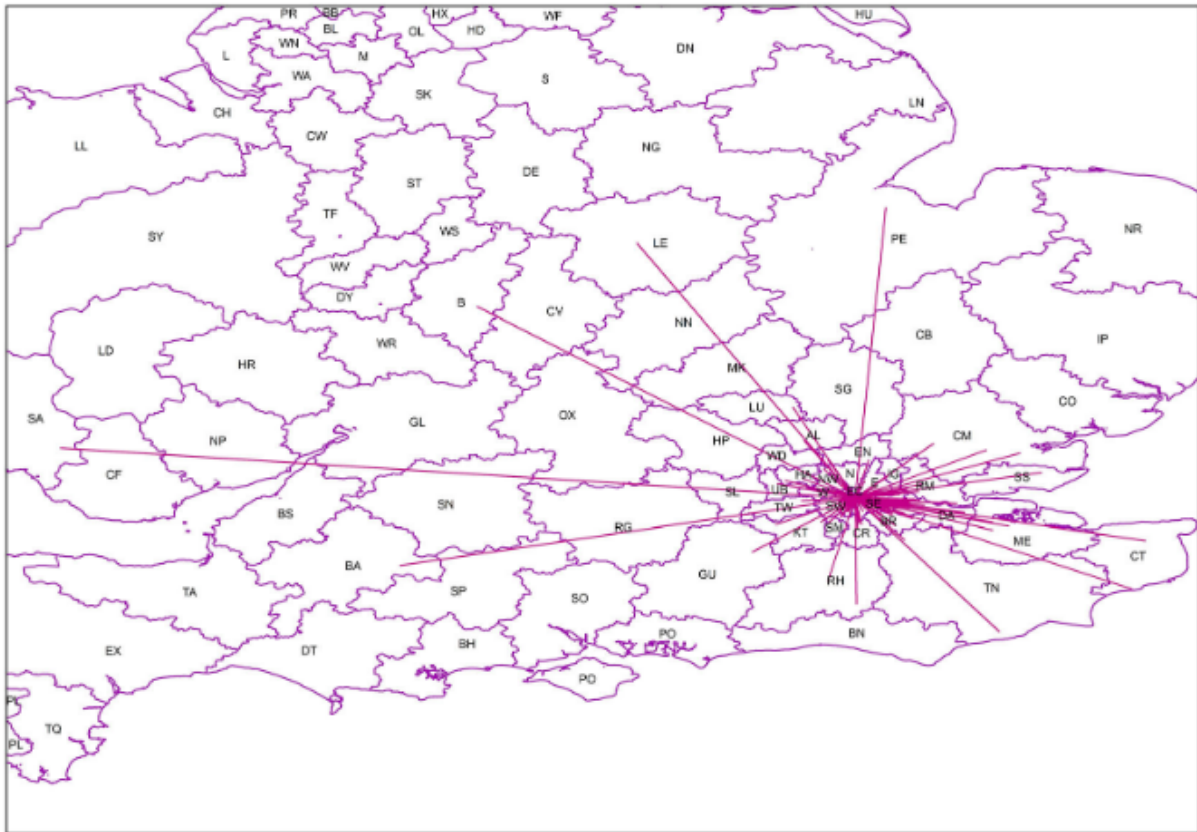
### 5.3 The Home Swap solution

We think that the Mayor needs to go further and require that all resident leaseholders are offered a straight 'home swap' as part of any redevelopment.

This will bring the guidance more in line with the government's [national guidance on estate regeneration](#), which states the importance of ensuring existing leaseholders are provided with new homes on site when their estate is redeveloped. This also recommends a home swap - albeit with the requirement that the new home is not sold within 7 years.

A number of London's estate regeneration schemes already offer this **home swap** model. For example, all of Poplar HARCA's schemes in Tower Hamlets offer it (see more info [here](#)) as well as all of Clarion's schemes in Merton (see more info [\[here\]](#)) and all of Sutton Council's estate regeneration schemes (see [here](#) (Option B, page 65)).

They all impose some kind of condition requiring the leaseholder to reside in the replacement home for a number of years before they are allowed to sell outright. [Sutton's schemes](#) require a minimum of



**Figure 11:** Map of leaseholders displaced from the Aylesbury estate redevelopment by Prof L.Lees

10 years, while [Merton's schemes](#) require a minimum of 11 years and Poplar HARCA's schemes require 7 years.

Some local authorities have argued that this represents ‘betterment’ and that leaseholders should only be offered part ownership of a new home.

This misses the point that betterment is the policy intention - i.e. the whole idea is that by using grant funding and leveraging land value, estate regeneration can provide *better* homes for existing tenants and leaseholders.

Tenants currently have the right to a better home on the same terms, there is no reason why leaseholders should be treated differently.



**Figure 12:** Extract from the government's Estate Regeneration National Strategy

#### Policy Proposals 5(a)

- \* All schemes must offer a **home swap** option for leaseholders and freeholders, with a 7 year requirement as per the government's guidance on estate regeneration.
- \* **Home swap** is intended to enable existing communities to stay together, not to boost asset values for non-resident landlords. It should therefore be limited to homeowners who bought their home before any redevelopment proposals were announced and who do not own any other property.

## 6 Build Quality, Social Infrastructure and Monitoring

### 6.1 Better homes? REALLY? and what about better public/community spaces?

The Mayor claims that London's estate redevelopments are creating better and more energy efficient homes, but the claim lacks any basis in evidence.

There is no requirement in the Mayor's current guidance to ensure that estate redevelopments go

beyond the bare minimum legal requirements in terms of energy efficiency.

This has led to wildly different approaches from different boroughs. For example, the majority of all new homes on Camden's Agar Grove estate are built to the highest possible energy efficiency standards (Passivhaus), whilst none of the new homes on Southwark's Aylesbury estate and only 15 out of 3,000 new homes on its Heygate estate are built to this standard.



Passive house or '**Passivhaus**' is an energy efficiency standard for buildings, which require very little energy to heat.

Some of the new homes on the redeveloped Aylesbury estate actually have a **lower energy efficiency rating** than **some of those** waiting to be knocked down.

Given the climate and energy crises and the huge amount of public investment in estate regeneration, it makes no sense to be building new homes now, which may need to be retrofitted in just a few years down the line.

The inevitable densification involved in estate redevelopment often means the loss of open space.



For example, Southwark's redevelopment of Aylesbury estate is resulting in the loss of 1.8 hectares of open space - an area the size of three football pitches.

provided as part of the FDS (0.39ha). Table 22 below sets out the amount of public open space proposed across the Aylesbury Estate.

**Table 22: Public open space provision**

	Public accessible open space (Ha)
Existing Housing Green Space baseline	4.8
Early phases	0.12ha
Proposed detailed phase	0.39ha
Proposed Outline phase	2.49ha
<b>Regeneration Programme total</b>	<b>3</b>
<b>net change against AAAP</b>	<b>-1.8ha</b>

157 Whilst it is acknowledged that there will be a reduction in the overall amount of amenity space compared to the existing estate, the AAAP assumed there would be an increase in density and that new spaces would be designed to maximise attractiveness and usability.

**Figure 13:** Extract from the Aylesbury redevelopment's planning committee report


It also results in the loss of valuable social infrastructure and community facilities, many of which will not be replaced. There are also often small businesses operating from office or retail spaces on estates which get overlooked. Some will have been serving their community for decades, but are not viewed as stakeholders and are simply **served notices to quit**.

Regeneration should mean more than just better homes, it should also mean better open spaces, better community facilities and better facilities for existing businesses.

#### Policy Proposals 6(a)

- \* All new homes built on a redeveloped estate or via in-fill development on an existing estate, must be built to **Passivhaus** standards.
- \* All estate development must include a social infrastructure plan for the estate, co-designed with residents. This will look at existing social infrastructure that is valued by residents – eg green spaces and community spaces – identify what is missing and require an overall increase in social infrastructure proportional to the densification.
- \* All existing businesses must be provided with relocation space within the redevelopment at rents proportional to what they currently pay.





**Table 2.2: Existing Non-Residential Uses in Application Site**

Site Name	Use	Approximate size (m <sup>2</sup> ) where known
Taplow Housing Office	Office	486
Aylesbury Early Years Centre	Nursery	365
Aylesbury Health Centre	Health Centre	1,504
Mediphararmacy	Pharmacy	80
Taplow Nursery	Nursery	63
Taplow Medical Centre	Doctor's Surgery	790
Aylesbury Youth Centre	Offices	147
Chaplin Centre	Offices	1,515
Retail units	Retail	130
Barrow Stores	Retail	16
Aylesbury Access Centre	Religious & Spiritual Community Facility	60
Taplow Retail Units (13)*	Retail	730
Tykes Corner	Nursery	100
Creation Office	Office	60
2 Inspire	Community Facility	158
Aylesbury Childminding Unit	Nursery	127
Wendover Meeting Room	Community Facility	60
Aylesbury Learning Centre	Training facility	650
Thurlow Lodge Community Hall	Community Facility	356
The Hour Glass	Public House	80
Wendover Council Offices	Office	200

**Figure 14:** List of community facilities being demolished on the Aylesbury estate

## 6.2 Better homes for whom?

The Mayor claims that London's estate redevelopments are creating better homes for local people, but this claim remains unsupported by evidence.

Neither the Mayor or local authorities are keeping tabs on how many displaced estate residents are actually being rehoused in the new homes developed. Where data exists, it has had to be wrested through FOI requests.

For example, campaigners in Southwark found out that just 13 of the 1,212 households displaced from the Heygate estate redevelopment have been rehoused in new homes on the redeveloped estate. Likewise [only 118 of the circa 1,300](#) Aylesbury estate households displaced to date have been rehoused in new homes on the estate.

A [report](#) by GLA Assembly member Sian Berry shows that estate demolitions are also having an impact on the overall supply of the only type of housing that many Londoners can afford. The report shows that estate redevelopments have led to the net loss of 6,748 social rented and council homes in London since 2003.

**Policy Proposals 6(b)**

The dedicated web pages for each scheme referred to in section 3.2 must include detailed information on public expenditure and information on how many tenants/leaseholders have been rehoused on the estate footprint, as well as what increase or decrease there has been in the number of social rented homes.

**6.3 Making sure promises are delivered**

Given the increasing reliance on housing associations, special purpose vehicles and local housing companies to provide replacement social housing, the Mayor's current auditing processes need to be revised.

At present the Mayor relies on an [annual compliance audit](#) which involves spot checks for just a handful of schemes funded by his Affordable Housing Programme.

This leaves schemes which haven't applied for grant funding to provide (or not) whatever type of affordable homes they wish. There are no post-completion audit or monitoring processes to ensure that these schemes provide affordable housing in accordance with planning consent.

Neither is there any process to ensure that any affordable homes built are allocated to households on a local authority housing waiting list. There is nothing preventing a housing association from allocating replacement social housing on a redeveloped estate to households that it is decanting from street properties that it is selling off.

In addition, where the Mayor's annual compliance audit does find that housing associations are charging higher rents than they should for replacement social housing, no sanctions are being imposed by the Mayor.

Here is an example discovered through an [FOI request](#), where housing association Notting Hill Genesis was found to be charging higher rents than it should for replacement social housing on the [Grahame Park estate](#):

While the tenancy discovered by the spot check was eventually returned to the correct rent level, The Mayor took no enforcement action and the housing association incurred no penalty.

GREATER LONDON AUTHORITY		
B SCHEME FINDINGS & RECOMMENDATIONS		
B.1		
Project no. & scheme address	12525	Grahame Park Plot 6, 17 Percival Avenue
Checklist used	Rent & Sale 2016-21 Building Council Homes for Londoners	
Audit question	Number 13	Is there evidence that the OPS unit details approved by the GLA at completion stage match the completed scheme?
Finding rating	High	
	LAR benchmark rent for this type of property is £176.49 per week and NHG is contractually obliged to charge up to this level. However it was found that the tenant was charged £192.36 per week which constitutes a high breach of funding conditions.	

**Figure 15:** Extract from one of the Mayor's annual compliance audits

#### Policy Proposals 6(c)

The Mayor's annual compliance audit should be amended as follows:

- \* An independent audit process controlled and scrutinised by a nominated GLA committee with results published annually on the GLA website in full.
- \* The audit will be widened to include all RSL providers, regardless of whether they apply for grant funding.
- \* The scope of the audit will also include the monitoring of nominations, to ensure replacement social housing is allocated to displaced tenants or those on local housing waiting lists and not tenants decanted by RSLs from homes they may be selling off elsewhere.
- \* Where RSL providers are found to have breached section 106 conditions with regard to replacement social rented homes, then the homes will be returned to social rent and allocated to the local authority housing waiting list and all grant funding received in respect of the home(s) repaid to the GLA.