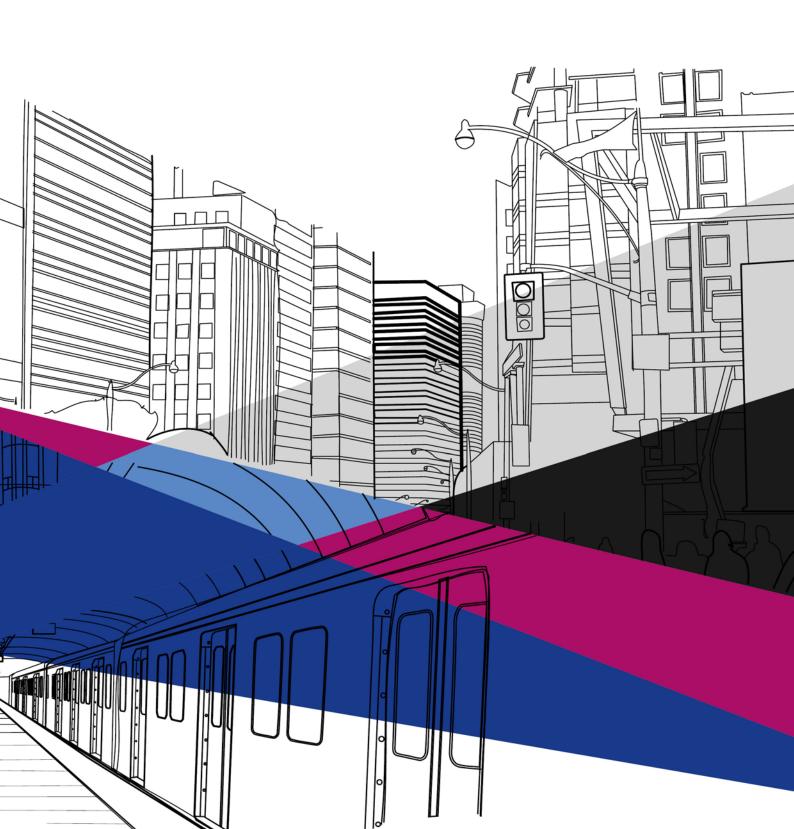


## **ESTATE REGENERATION**

Creating a new generation of neighbourhoods



### **CONTENTS**

- 3 **Foreword**
- 4 **Public perception of regeneration** is more positive than you may think
- Estate regeneration can we get it right? 6
- Going beyond the tick box approach to consultation 8
- **Building out disruption minimising the impact on communities** 12
- 14 Genuine community engagement may be easier than you think
- Reputation is your best asset, or greatest liability 16
- 18 **Borough builders – the role of councils in estate regeneration**
- 22 **Empowering communities to engage in the planning process**

## **FOREWORD**

The need for large-scale estate regeneration is established – but how can it be delivered in a way that adequately involves residents and has their buy-in and support? This question is particularly pressing in London, where the Mayor has committed to ballots for residents on estates if redevelopment plans are to receive Greater London Authority (GLA) funding. The need to garner local support and harness the energy of communities in support of development has never been greater – but how can this be done?

As the government's own Estate Regeneration National Strategy emphasised, adopting a placemaking approach to regeneration can generate value for residents and the local community through improved neighbourhood pride, a locally informed housing offer, better connections to local opportunities and improved service. A truly collaborative effort is needed to make estate regeneration work well for current residents and help move the debate beyond gentrification to a resident supported vision for something new, and perhaps different.

To explore these issues we have developed this booklet of articles and opinion pieces to examine what works and what doesn't. What process and methodologies are replicable? What different roles can local authorities take to help achieve the outcomes? What things can be done to detoxify 'estate regeneration' and facilitate the development of a new and improved generation of mixed neighbourhoods?



**Tonia Secker**Head of Affordable Housing
Trowers & Hamlins



Scott Dorling
Partner
Trowers & Hamlins

### PUBLIC PERCEPTION OF REGENERATION

### is more positive than you may think

Estate regeneration has unquestionably become a controversial issue. But often the controversy can be more centred on the process of redevelopment, rather than the actual outcomes.

That at least is the suggestion of a snapshot of public opinion undertaken by YouGov for Trowers & Hamlins. The survey of over 2,000 members of the public found overwhelming positive sentiment around the potential of estate regeneration to improve homes, neighbourhood and communities.

However, it reveals a perception of very limited involvement in the consultation and development process, with just 11% agreeing that existing residents are always told about any plans, and how those plans will affect them (Figure 1A); only 9% agreeing that existing residents are always consulted about any regeneration plans well in advance (Figure 1B); and only 4% saying residents are able to influence the outcome of a development (Figure 1C).

This suggests a very strong public perception, rightly or wrongly, that estate regeneration is something done to residents, rather than with residents, and that the majority of consultation carried out does not properly engage residents in the plans.

But when it comes to the potential outcomes of estate regeneration, the survey's findings are considerably more positive.

According to the survey, 69% of respondents broadly agree that council housing estate regeneration has the potential to create better quality housing for existing residents (Figure 2A), while overall 53% broadly agree that it can create mixed communities and better neighbourhoods (Figure 2C).

And respondents are less certain that council estate regeneration leads to gentrification - or "social cleansing" as anti-regeneration campaigners put it. Only 26% of respondents agree that regeneration leads to local residents being replaced by wealthier people; although the results are tempered by a high percentage (49%) who are either not sure or don't know, reflecting a degree of uncertainty about the outcome.

Overall, 62% of respondents had a positive view of the outcome of council estate regeneration, against just 8% who had a negative view (Figure 3).

Of course, this survey reflects general public opinion, rather than specifically those residents of council housing estates or those who have specifically been involved in a regeneration development of an estate.

However, it does counter the negative narrative that has built up around the estate regeneration process, supporting suggestions that the strong anti-regeneration message from campaigners, amplified by a sympathetic media, could be skewing perceptions.

This view is also bolstered by the outcome of the first two ballots undertaken since the Mayor of London made voting by residents on estate regeneration plans that involve the demolition of homes necessary if a scheme is to receive Greater London Authority funding. Both ballots of residents and resident leaseholders came out in favour of the regeneration plans, a shot across the bows of those who presuppose that residents always oppose regeneration.

The Trowers & Hamlins YouGov survey shows strong support for the idea of ballots, with 79% agreeing that local people should be able to vote on plans for estate regeneration and only 7% opposing the idea (Figure 4B). Unsurprisingly, most support was for council housing tenants and residents who own their homes – the two groups who are allowed to vote under the Mayor's policy (Figure 4A).

Overall, the survey suggests that developers and their partners could do much to tackle the perceived 'toxicity' of estate regeneration if they focus resolutely on undertaking meaningful community engagement. And that the Mayor's ballot could yet prove to be a more positive driver of the regeneration process than many expected, if developments are well thought through and meaningful engagement that involves communities is undertaken from the outset.



Figure 1. How often, if at all, do you think each of the following happen?

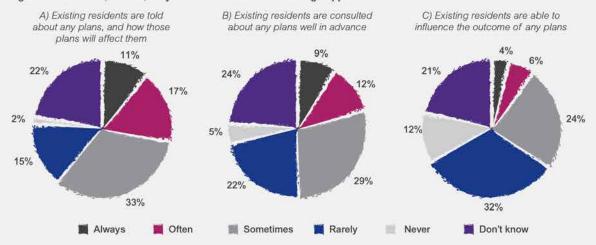


Figure 2. To what extent do you agree or disagree with the following statements?

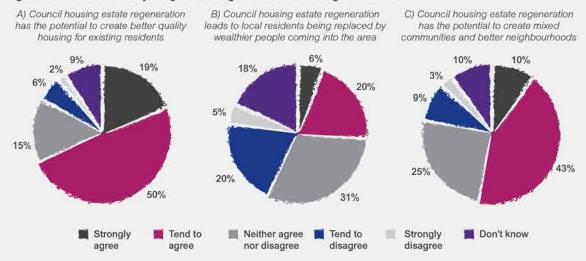


Figure 3. In general, how positive or negative do you think the outcomes of regenerating council housing estates are?



Figure 4. Which, if any, of the following do you think should be allowed to vote on whether proposed council housing estate regeneration plans should or shouldn't proceed?



As part of 4A, the survey asked if anyone should be allowed to vote on proposed plans. Those figures are reflected below in the net scores with 7% who did not think anyone should be allowed to vote and 79% feeling that at least one of the groups above should be allowed to vote.



Source: YouGov survey of 2,088 UK adults in February 2019

# **ESTATE REGENERATION** Can we get it right?

Opinion piece by Dave Hill, On London

The tensions triggered by redevelopment schemes in London can be toxic and extreme, none more so than when a housing estate is lined up for knocking down.

Estate regeneration, especially of council rented homes, has produced a string of high-profile conflicts between, on the one hand, borough leaders, social landlords and developers and, on the other, housing activists and their political and media sympathisers.

Each struggle has been emblematic of larger ones about the future of the capital, with its simultaneous needs to improve and increase its housing stock and to provide stability in a city in a constant state of churn. Strong emotions are stirred about power, progress and local attachment. What are the lessons of these stories for achieving the best regeneration outcomes?

One principle should be paramount. It is never, ever to push people around. Borough planners and politicians, mindful of the cost of repairing dwellings that are beyond proper repair and the queues for social and other "affordable" homes stretching round the Town Hall block, might be forgiven for surveying leaky, low density products of post-war municipalism done on the cheap and concluding that they are, quite literally, a waste of space.

Regeneration is often informed by a desire to facilitate "mix" and "connectivity", which are fine, if sometimes over played. But estates critised as warehousing poverty can be, for those who inhabit them, havens of comfort and security within vital networks of friendship and support.

This is the bedrock stuff of social cohesion, an asset to be prized. When regeneration feels imposed, it's not surprising there is resistance. Better to accept from the off that any proposal to tear down an estate is sure to be seen by some only as a threat.

At the same time, the law of averages alone insists that others will perceive it as an opportunity to solve some of the biggest problems in their lives. These are the silent majority that louder antiregeneration groups, not all of them rooted in the communities they claim to represent, omit from the "social cleansing" narratives they provide for liberal journalists.



Imagine someone from the council rang your bell and said,

### "We're going to knock your house down, but don't worry we'll build a better one for you nearby."

If you like where you live you might provide a dusty answer. Older people, understandably, are often the least receptive. But if you're sick of damp and vermin and thin walls through which your neighbours can be heard and your 28-year-old-son is sleeping on your sofa because there is no bedroom for him, you might prick up your ears. A spectrum of sentiment is only to be expected and all of it must be respected.

Securing a critical mass of resident support requires transparency and candour, including about finance and land. Formal consultations have too often been easy to dismiss as the covert rubber-stamping of decisions that have already been made.

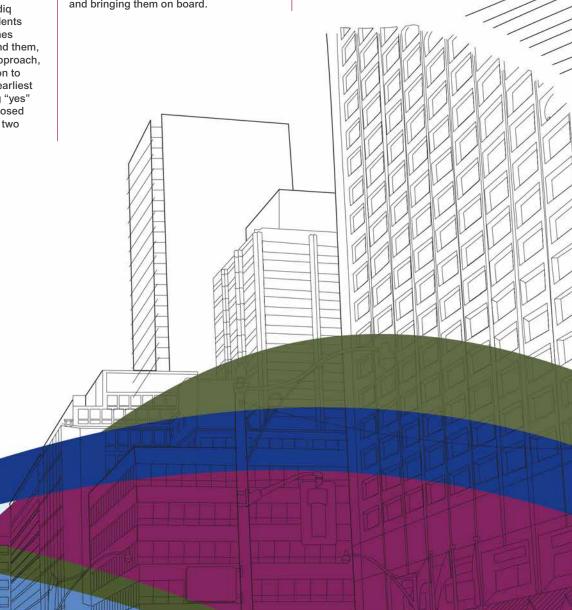
Might there be a central role for proper focus groups to gauge opinion more thoroughly? Mayor of London Sadiq Khan's new requirement that residents must approve regeneration schemes through a ballot if he is to help fund them, having previously opposed that approach, was seen by some as a capitulation to the anti-regeneration left. Yet the earliest ballots have produced resounding "yes" votes, including for schemes proposed by Labour-run Ealing Council and two housing associations.

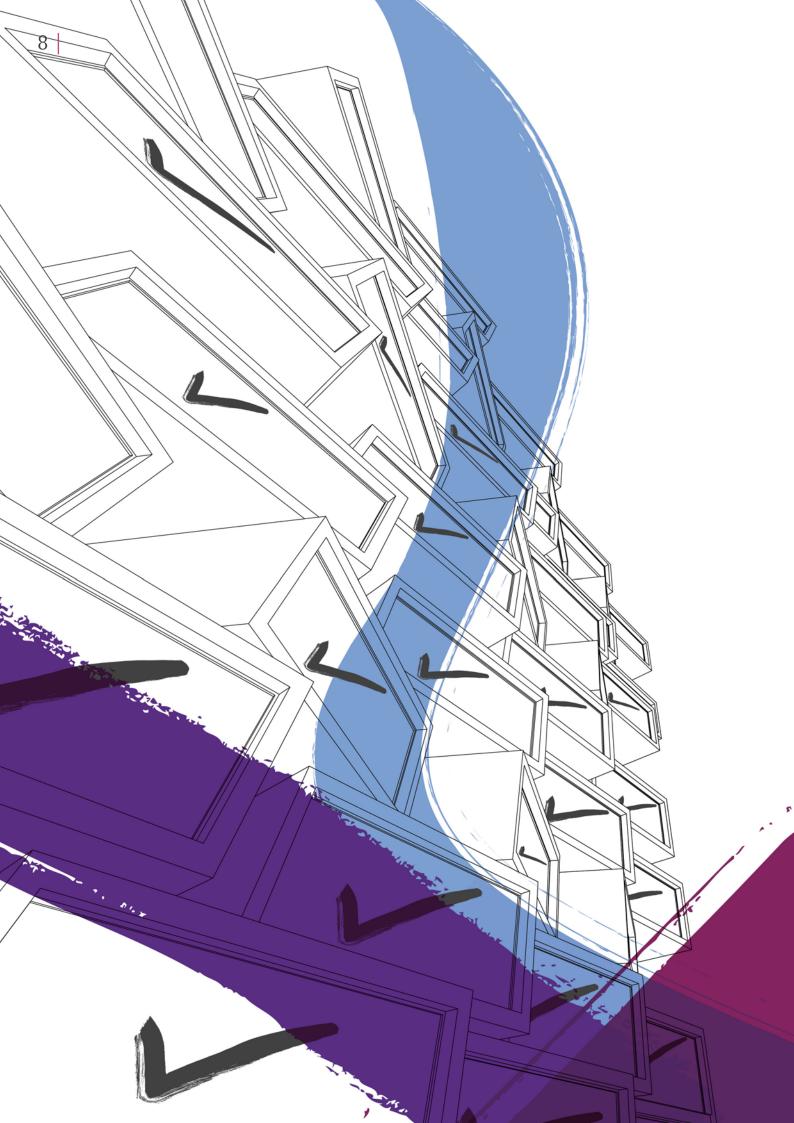
The biggest problem with ballots is that they risk leaving those enduring the worst housing conditions as a defeated. stuck minority. But the need of landlords to win them has concentrated minds on serious engagement with tenants and with leaseholders too. The latter, as homeowners, often feel robbed by the replacement homes they are offered. There is a fairness case for more generous compensation - as there is for more public investment in affordable homes - but also for explaining that, sadly, a home owned on an estate is quite likely to have a lower market value than an equivalent street property nearby.

Regeneration in widest sense can improve lives in lots of ways, be that through employment support as provided by Notting Hill Genesis to people on the Aylesbury estate in Southwark, or by involving residents in the design of their new homes, as happened with the celebrated Packington estate in Islington. These are virtuous endeavours that build trust. This helps developers, councils and landlords, who strive to retain it. Political leaders should be active custodians of regeneration schemes, engaging closely with the people they are elected to serve and bringing them on board.

Good regeneration is the product of painstaking negotiation and all interested parties finding a shared, progressive path. All involved must eschew a bulldozer mentality that would crush the very people regeneration most effects. It might not the easiest way, but it will be the happiest one in the end.

///





## **GOING BEYOND THE TICK BOX** APPROACH TO CONSULTATION

Consultation, it would appear, has become something of a dirty word, at least among built environment professionals who think deeply about housing estate regeneration.

"We call it engagement these days rather than consultation because it is more accurate in terms of how we talk to residents," Paul Karakusevic, partner at Karakusevic Carson Architects, which recently completed the award-winning Kings Crescent Estate regeneration in Hackney, east London. "In the old days you would do three consultation events - one at the start, one in the middle and then one just before you went in for planning. Nowadays it's an almost constant dialogue."

### **Engaging with residents** early-on

Finn Williams, who previously worked for the Greater London Authority but now heads up Public Practice, an organisation that matches talented private sector professionals with local authorities in need of additional support, agrees. "The very word consultation presupposes that you're consulting somebody on something that you've already come up with and that is the core of the problem," he says. "As long as consultation is reactive in that you're putting something forward and asking somebody if they like it or not, you're on the back foot from the beginning."

In November 2018 Metropolitan Thames Valley Housing (MTVH) became the first housing association to secure a positive "Yes" vote in respect of the regeneration of an estate in Barnet and in accordance with the Mayor of London's Estate Regeneration Resident Ballot policy. 75% of residents voted in favour of the regeneration proposals.

Key to this result was the adoption of early, consistent and honest engagement says Geeta Nanda, Chief Executive at MTVH. "The positive ballot vote in Barnet involved over 12 months of fluid and iterative engagement with residents, adapting our engagement approach to suit the individual needs of our residents. The resources necessary to support the engagement could not be underestimated. Meticulous planning, collaboration across stakeholders and creating an environment that promoted positive challenge ensured the project team were wholly committed to the exercise."

The introduction of resident ballots, for some, adds further uncertainty to an already complex and emotive subject and Nanda adds that "grassroots engagement should be part and parcel of regeneration projects; when done in the right way, the value and benefit to the project and community is invaluable."

Experts agree that it is vitally important to engage with residents as early as possible and certainly before anyone has any preconceived ideas about the approach to take, much less details such as design. And that, says Riette Oosthuizen, partner at HTA Design, is particularly important when demolition and rebuild may be a possibility.

"In the cases where we have been working with clients before a JV partner is brought on board and complete regeneration is a possibility, it always helps to do engagement right from the beginning,"

she says. "It always helps if the client has a very clear offer to residents on the table. Right from the beginning you need to be able to answer questions about what will happen to people, whether they have the right to return, whether they will have the same neighbours, whether they be allowed to have a dog... all those questions need to be answered."

#### Having solutions to the details builds trust

And that level of detail needs to be discussed with residents when it comes to identifying a solution and at the design stage. "We talk to them about what they would like, whether that's refurbishment, part infill, renewal..." says Karakusevic. "It's about what they want and need in terms of rehousing, what size of apartment they want, what type of neighbourhood they want to live in, what types of streets and places, materials... everything is discussed many times."



Engagement must also involve addressing existing concerns, says Hannah Loftus, director and co-founder of architect HAT Projects. If residents aren't happy with how an estate is being managed, they will have little trust in anybody seeking to bring forward a regeneration proposal. "Estate maintenance and management are fundamentally linked to regeneration and development," she says.

"What's important for local authorities, housing associations and other providers is to realise that from the resident's perspective, they don't have much trust in a regeneration process working out well when they can't get rats removed or broken locks fixed. The fact that the management and regeneration processes are run by completely different teams out of different budgets is meaningless to residents, and the whole needs to appear seamless and integrated."

Geoff Pearce, Executive Director of Regeneration and Development at Swan Housing Association supports the idea of building trust at an early stage. "There will always be some predictable concerns and it's well worth having answers ready for some fundamental principles before starting the conversation with residents. What guarantees can you give on rents? What will be offered to people that are overcrowded or under occupying? What compensation package will you be prepared to offer to both tenants and leaseholders? If these assurances can be given at the outset it can go a long way

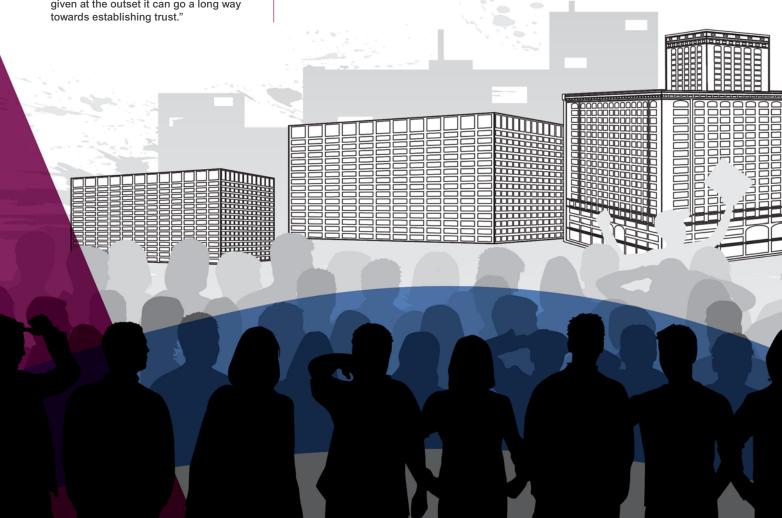
Pearce however warns of going too far in your planning before the engagement process begins. "Turning up to an initial meeting with architects presenting their plans is a complete no no; the community will feel disempowered and will be highly likely to reject your proposals. In fact I'd involve the residents in as many decisions as you can, including the selection of the architects, their independent advisors and if appropriate any delivery partners that may be brought on board. The more residents feel that they are steering the process the more likely they are to vote in favour of the scheme.'

Pearce goes on to point out that these processes require significant resources, from full-time dedicated project management and community involvement teams through to senior level involvement and commitment from your organisations leadership and Board. "Residents will want to see that the promises being made are serious and given with full authority. They also take time; trust is hard won and easily lost, but if managed correctly the process can be hugely empowering and developmental for communities which can only bode well for long term community cohesion."

### Keeping residents interested and engaged

In addition to empowering residents to get involved in coming up with a bespoke solution for their community, engaging early can also mean that they remain wedded to the project and don't suffer regeneration fatique. Major estate regeneration projects, after all, can be many years in the making. "I think that if you involve people and invest in engaging people at the earliest possible stage you shift the expectations and the plans in ways that are actually likely to encourage further engagement," says Toby Blume, co-founder of consultancy Social Engine, a specialist in community engagement.

Being honest and realistic is also key to success so far as Blume is concerned. "Local authorities have particular priorities that should relate back to what communities want, but it's not to be naïve and assume that communities can have everything or indeed that communities have a single view of what they would like," he says. "You need to have an open, honest dialogue running through the process. The form that takes will vary considerably depending on the nature of the community, the level of integration or cohesion that exists, the finances, the affordability, people's willingness to get involved and so on."



That chimes with Steve Sanham's experience. The managing director of developer HUB, whose approach to engagement on large-scale development projects has been roundly praised, says that early engagement is critical if communities are going to support a project, which may well be disruptive, from start to finish. "If you undertake a process where the first time you meet people is standing in a hall in a pin striped suit with a load of boards up, you're only going to get one response: there will be a backlash," he says.

Instead, HUB's approach is to start talking to communities about their concerns for their area: what's working, what isn't and what their aspirations are. At the very beginning of the process, he says, conversations can be about pretty much anything, including issues such as rubbish collection that a developer has little ability to influence. The point is that it is a genuine and honest dialogue that recognises that people coming in from the outside are highly unlikely to understand local concerns if they don't have an open mind.

Sanham is also well aware of the reputation that developers have among many parts of society. Confounding expectations isn't just the right things to do; it will also help smooth the development process. "There is massive mistrust of developers and it's our fault," he says bluntly.

"But our approach at HUB is that we're never scared of having honest conversations. If we're having honest conversations with people then we've always got the fact we are being honest to fall back on."

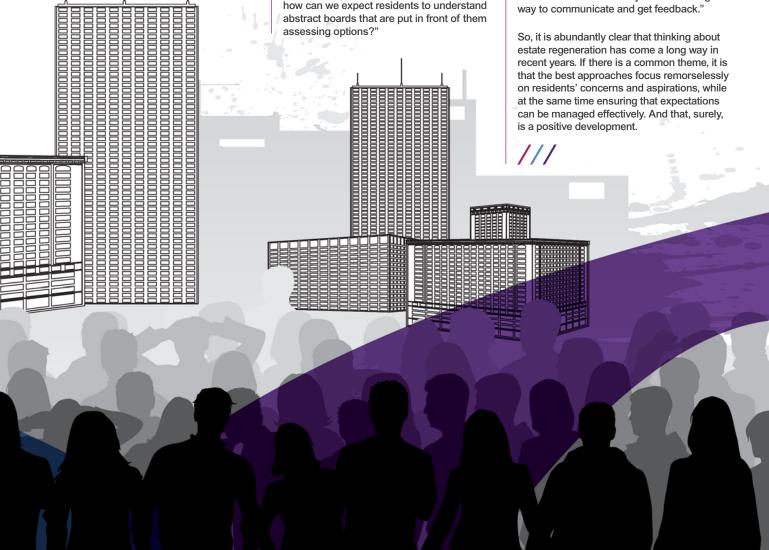
According to Oosthuizen, physically taking groups of residents to visit examples of successful estate regeneration can also reap dividends: seeing something in real life can be far more effective than pictures or visualisations. "Something that really creates trust is if you take residents around to other places," she says. "We quite often talk about planning officers not having sufficient design skills and not understanding drawings, so how can we expect residents to understand abstract boards that are put in front of them assessing options?"

And that doesn't just mean showing people the outside of buildings – they need to understand what it would be like to live inside them. "They also need to understand what the inside of buildings will look like," says Oosthuizen. "So often we show people pictures of the outside of buildings, but actually it is the inside that matters. What will these spaces be like?"

#### On-going communication is key

But the consultation process cannot just come to an end once a developer or contractor has been appointed. "We take it a lot further through the establishment of community boards where we have residents that join us as the developer, as well as ward representatives, maybe a local vicar and any other interested parties," says Mike Woolliscroft, director for the Partnerships South division of Countryside Properties.

"We meet on a frequent basis to help with the communication with the rest of the community. It's broader than construction, it could be about addressing a social issue. You need to put in place a decent website and boards, have resident liaison officers; employ people to interface with residents. There are all sorts of ways in which you can communicate. Community boards are a good way to communicate and get feedback."



### **BUILDING OUT DISRUPTION**

### How construction can be improved to minimise the impact on communities

When it comes to estate regeneration, disruption for residents is a given. Whether renewal constitutes refurbishment and infill development or wholescale demolition and rebuild, construction by its very nature involves additional noise and traffic as a bare minimum.

However, the better developers and contractors have, over the years, developed ways of minimising disruption and responding quickly and effectively to concerns and complaints when they are raised.

### Securing the right team at the

So far as Leigh Scott, head of regeneration at Home Group, is concerned, the starting point is to ensure that the right construction team is hired in the first place.

### "A lot of it is about picking the right project teams and the right partners," he says.

"With the bigger regens we tend to do them as joint ventures and so a lot of getting them right is about getting a partner on board who understands you and how you want to do it. They need to be good with residents and mindful of how to work around them."

Securing the right team certainly involves working with people you can trust, but it is also about getting the paperwork right so that everyone on a project knows what is expected of them. "We have people who we work with a lot, like Hill and Countryside," says Scott. "They do this a lot and are very good at it. And then there is the setting up of the JV and we have very good solicitors. Getting the legal agreement right is very important.'

According to Richard Sterling, development manager at Willmott Dixon, effective communication is also key. "Communication with residents is paramount and is getting more and more important," he says. "We have community liaison officers on all our projects, and they spend a lot of time reaching out to everyone in the community. That's residents but also local businesses as well."

#### Building trust in the relationship between builders and residents

Going the extra mile can also build trust between builders and residents, which can mean that residents are more willing to put up with the inconvenience. "We do a lot of additional social value work, so working with community groups if there is anything that needs improving in a local area, like refurbishing community halls," says Sterling.

### "We dedicate resources from Willmott Dixon to do that. It makes the whole process easier if people feel part of it."

Mike Woolliscroft, director for the Partnerships South division of Countryside Properties, says that his company undertakes similar works and adds that if anyone on the projects breaks their contractual commitments they are expected to make amends by contributing to a local charity. "If a subcontractor breaches the rules there is a donation that is passed on," he says. "That is something we created as a business and rolled out across a lot of projects. It's not contractual but it is effective."

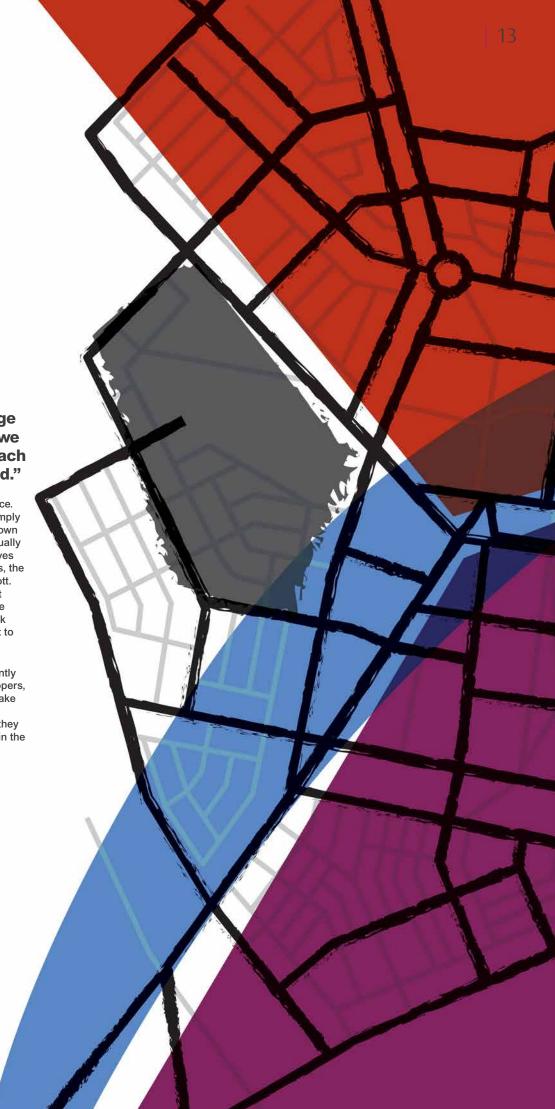
#### The importance of logistics

At a more day-to-day level, construction processes can be designed to minimise disruption. Here, getting the logistics right is vital. "That includes where a contractor is going to park their vehicles so we're not disrupting resident car parking," says Sterling. "So, we can park off site and then bus people in or if there is space on site then we will create dedicated parking areas so that we're not parking on roads. Often, people aren't worried about the buildings going up as long we don't block driveways or stop people from parking on the roads."

The timing of site deliveries and supply chain movements is also important if a community is to be kept on side. "We'll often hold vehicles off site somewhere." says Sterling. "They'll then call into site and when they get there, we'll have a holding area on the site so that there aren't standing vehicles on the roads in the local area. We're also moving using and more to modular components now, which reduces the number of movements."

Again, getting the logistics right involves understanding a community and constant communication. "We work with communities to work out when are the busy times in an area," Sterling adds. "So, are we near a school and is school traffic a big issue? If so, we will make sure that deliveries are timed to avoid school drop off and pick up times. It's about getting under the skin of an area at the earliest possible opportunity."

Woolliscroft agrees. "It's not just about how our site managers maintain the gates and the noise and the dust, it starts a lot earlier on in terms of the planning and the engagement with the residents," he says.



### "Everybody fears change and the first thing that we do is explain our approach and get people informed."

Phasing, too, can make a big difference. It will always be more economic to simply move people off an estate, knock it down and start again, but the approach actually causes more disruption to people's lives than living with a building site. "For us, the phasing is really important," says Scott. "The easiest thing would be to decant everyone off the site. But the issue we have with that is that you need to think about people's lives. They need to get to work and get their kids to school."

So, while construction may be inherently disruptive, there are steps that developers, contractors and subcontractors can take to minimise the impact on residents. What's more, by going the extra mile they should also be able to maintain trust in the enterprise as a whole.

///

## **GENUINE COMMUNITY ENGAGEMENT**

### May be easier than you think

—— Opinion piece by Steve Sanham, managing director of HUB

In the last decade, regeneration, as a concept, has become toxic, a byword in the public mind for gentrification, social cleansing or some other negative practice. It is often thought of as something done to communities, not for them, and certainly not by them.

In many ways the development industry only has itself to blame. Too many in property think only about what lies within the red line of their development and the bottom line of their balance sheet. For many communities, developments seem to land in their area like spaceships, without their input and alien to their neighbourhood's character.

It doesn't need to be this way and shouldn't. The first step in remedying this comes at the very start of the development process. At HUB, we believe deeply in the importance of genuine community engagement from the outset. How this is carried out can be so important, because if done badly it can backfire, helping to drive a wedge between developers and existing communities.

Genuine community engagement is actually easier than many may think; the reality is our industry is often guilty of over thinking its approach to engagement, making it too slick, too 'professional', too rigid, and in the end doing too much of the wrong kind of consultation. We can be guilty of adopting a tick box approach, diving straight into a presentation of ideas and building typologies, an approach that tends to lend itself to those with the loudest voices.

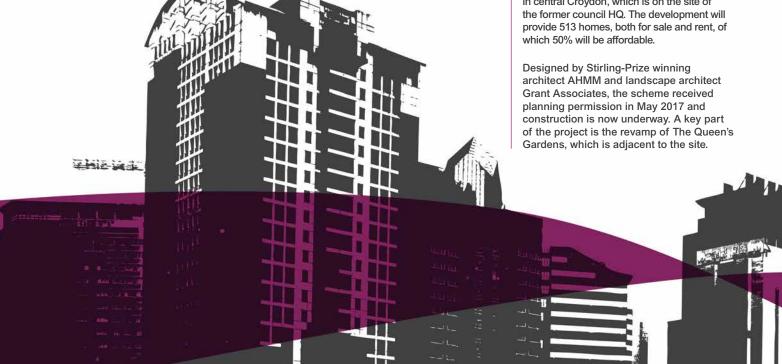
We have all come up against this problem of how to reach beyond the 'usual suspects' who turn up to meetings. How can we reach the marginalised, who have as much of a stake as anyone? How can we reach the young? And how can we talk to people in a language that 'engages' rather than just 'consults'? Developers and communities rarely speak the same language, but it needn't be that way.

We need to look at different formats for engagement, both small-scale, subtle approaches and larger-scale festivals and events.

We also need to reach those who may have positive things to say about development, if not a silent majority, a quiet mass of people not exercised enough to give their view.

The planning process all too often encourages confrontation, giving voice to objections, and can fail to capture the full range of views.

That's why we were particularly keen to set up a collaborative community design process as part our Taberner House development, in central Croydon, which is on the site of



Following an extensive public consultation and community engagement process in 2016-2017, during which more than 1.500 people gave feedback on the Taberner House and The Queen's Gardens plans, we invited local people to take part in a series of collaborative design workshops to produce the detailed plans for The Gardens.

Working with our partners The Kaizen Partnership, we set up a process of meaningful engagement about how the park might be reimagined for the next 100 years (or more) of its life. Not everything was up for grabs, and it was important to be up front about that right from the very beginning. We firmly believe that meaningful community engagement must be founded on honest conversations. So there were parameters within which the co-design process had to work: we have planning permission for four residential buildings on the site next to the existing Queen's Gardens; there are historic elements of the park which need to be respected; existing trees that need to be protected; and modern accessibility standards to be complied with. So at the very first session we focused on creating relationships within the group, establishing red lines, and agreeing on a vision and values for the co-design process to reference going forward.

Over 50 people asked to be involved and the first meeting was held in March 2018. This type of engagement broke new ground, so none of us really knew quite what to expect. But the sessions we spent with the local

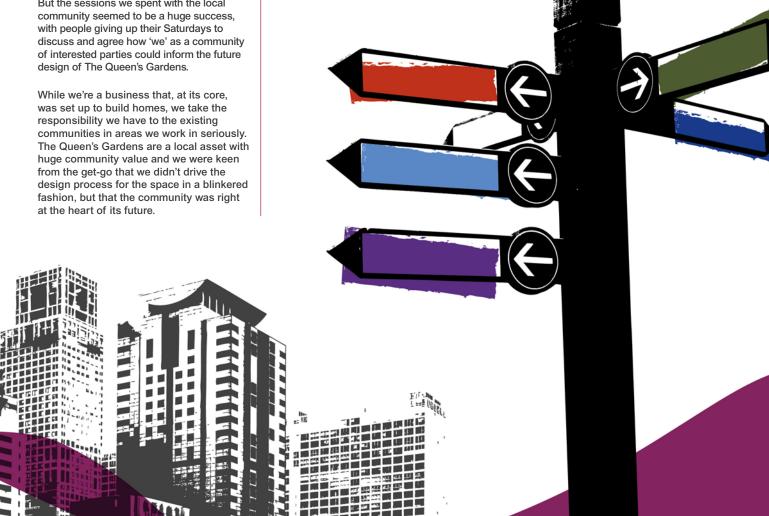
The co-design process focused on concentrating peoples' efforts on planting and biodiversity, play space, and a new café building. To explore these aspects in full and to develop the community's ideas we set up three design sessions over 2018, which led to a detailed planning application for the park, submitted to the council in late 2018. Not only was it both fun and rewarding for all involved, we are confident it will result in a great public space for the whole community to enjoy. We think codesign has huge potential and we are now exploring how we can bring this process into more of our developments and for different kinds of projects.

But co-design is just one way we can properly engage communities. Ultimately, what we all need to do is to find ways to widen the conversation around a development as much as possible. This requires imagination and hard work. But an honest conversation must be at the heart of the process.

Some of our best consultations have been simply sitting down and having a cup of tea with someone and talking about what is going on in their community.

Not talking about project-related issues and instead just finding what is going on in the place they call home - just talking to people about stuff... it's as easy or as complex as that.

Perhaps sometimes we are all guilty of being too professional; consultation and engagement has become a process and an industry. But it will not be effective if it is not founded on honesty and integrity. Having that honest conversation, on a human level, is a great place to start - and you may be pleasantly surprised by the results. Ultimately, can the downside of that approach really be that bad?



# REPUTATION IS YOUR BEST ASSET or greatest liability

Opinion piece by Leanne Tritton, ING

One of my favourite films of all time is the Australian comedy classic, The Castle. It centres on the humble home of the Kerrigan family that backs onto an airport and is under threat of a compulsory purchase order.

The developers and lawyers in the film are straight from central casting - sharp suited, loaded and lacking in empathy for the family and their neighbours. At face value, the most flattering thing you can say about the Kerrigan house is that it is 'humble' but that provides the basis for the entire film. For the Kerrigan's, it is home, their 'Castle'.

And there lies the lesson for anyone who is the 'regeneration' game. Regardless of what you think, for the occupiers and residents of the many thousands of sites slated for improvement, it is their home and castle.

The idea that it needs to be improved is often a priority in the minds of the professional rather than the resident. Residents may be well aware of the limitations and challenges in their communities, but it can be patronising and condescending when an outsider points out the flaws - regardless of how well meaning they may be.

Rather than welcoming the people or organisations that are offering improvement, the reverse is often the result as residents feel they are under 'attack'.

Add to that the overall public profile of developers (it's still very bad) and there is no surprise that the consultation process is behind before it even starts.

The most successful regeneration practitioners learnt long ago that the key to success is authenticity, track record and embedding themselves early within the community. As soon as a site is identified and before plans are made, they get to know the community and do a lot of listening.

It sounds over simplistic. but it works. It doesn't quarantee a smooth ride but having strong and positive relationships gives a stronger opportunity for positive discussion and consultation.

And authenticity is key. Brochures and slick presentations won't do it, and can in fact engender mistrust. Communities want to see the whites of the eyes of the decision makers, talk to them and decide if they can trust them.

Make no mistake, they can spot a fake. People who talk in regeneration and property jargon, decanting, assets, investment are all likely to raise the hackles of someone who just wants to protect their home.

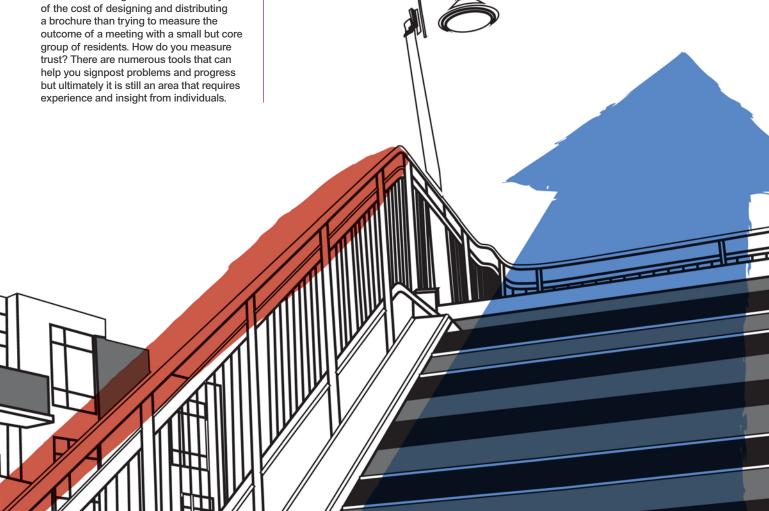
If it works, why doesn't everyone do it? Well, it's time consuming, it requires heavy lifting from the senior team and it's hard to measure in a world where everything in business is measured on 'deliverables' and 'ROI'. It is often easier to give a statistical analysis

And that is where reputation can become a tangible asset or a liability. It's where what you have actually done speaks louder than what you say you will do.

Ambition is a wonderful thing, but the world of property is littered with case studies of organisations who have started off with a bang and withered away delivering little.

It's no surprise that most of the UK's most successful property companies have long histories of delivering on the promises they set. So from the outset, set a tone and narrative that is deliverable and one that the community can buy into. Keep any hyperbole for when you actually deliver.







## **BOROUGH BUILDERS**

### The role of councils in estate regeneration

When it comes to council housebuilding, the UK went from feast to famine very quickly. From the late 1940s through until the late 1970s, local authorities built homes on a truly industrial scale, first to replace homes lost in the war and latterly to house a booming population. Then came the Iron Ladv.

"It was curtailed in 1979 by Margaret Thatcher and then for years very little was done," says Paul Karakusevic, partner, Karakusevic Carson Architects. "There was no investment in new build, which gave us some of the problems we have today."

#### The new wave of Borough **Builders**

In recent years, however, some councils have started to build again. The new wave of borough builders started in 2007, when then prime minister Gordon Brown allowed councils once again to invest in their housing stocks. Karakusevic won a competition to work on a pilot project with Barking and Dagenham council, which received additional funding to build up its housing and regeneration department.

According to Karakusevic, several projects followed and as a result his practice picked up work with Hackney. At that time, Hackney's housing and regeneration team constituted just three people, but Karakusevic says the borough's ambitions quickly grew and it soon saw sense in investing in more talent. "With us they transformed the Hackney estates programme," he says. "Today, I think Hackney is probably the leader."

The council is acting as a developer in its own right and has won praise for some of its schemes, not least the £80m, award winning regeneration of the King's Crescent estate. However, its ambitions were limited by its housing revenue account (HRA) debt cap, which limited borrowing to around £140m. The cap was lifted in the autumn (if not taken off entirely, as was reported) meaning the borough can now accelerate its plans.

#### Flexibility in tenures

That doesn't mean a return to mono-tenure estates, though, even if it were desirable to do so. The Hackney model still requires a level of cross-subsidy from the sale of homes on the open market, despite the fact that the council can borrow at very low rates through the Public Works Loan Board (PWLB). "They're borrowing at around 1.5% but they still need to structure it in a sensible way," says Karakusevic. "I think there will always be a degree of cross-subsidy needed - [social] rents are so low that otherwise you would never be able to pay the money back. They have to borrow and build responsibly. That's why something like King's Crescent will have 45-50% market sale."

A similar strategy is being deployed, albeit in a more limited way, in Bristol.

### "We're building around 60 a year at the moment, but with the cap coming off we will be accelerating that number,"

savs Councillor Paul Smith. "At the moment, none of what we're doing would be classified as estate regeneration, it's new build on open sites. But we are evaluating at the moment places where housing is unpopular, expensive to maintain, difficult to heat and where it is low density for regeneration. Most of that is likely to be low-rise flats."

"It's about meeting local housing need. We have a big need for housing. Our HRA is reducing at 180 units a year through right to buy so we do need to replace the units. In Bristol, we've got more than 500 families in temporary accommodation and 11,000 households on the waiting list, so we need a lot more social housing than we have at

### Private development companies and joint ventures

The council as developer model isn't the only one available. In Croydon, for instance, the council has established Brick by Brick, a private development company of which the sole shareholder is the local authority. The benefits of its legal status include the ability to negotiate land deals directly and the fact that it isn't subject to OJEU procurement rules.

"It's about addressing housing delivery issues locally," says Brick by Brick chief executive Colm Lacey. "Essentially, the council wasn't getting the quality of development that it wanted, whether in terms of affordable supply or design quality. We also had an issue with PDR [permitted development rights] in Croydon. The council was against it and we put in place an article 4 direction, but not before we lost around 1.5m sq ft of stock to permitted development. Some of it is alright; some of it is awful."

An article 4 direction allows a local planning authority to restrict the scope of PDRs.

The idea is to use council-owned land and assets to increase the pace and quality of housing delivery, as well as to increase the volume of affordable housing coming forward. Under the model, Brick by Brick buys the assets at market value and then borrows the development finance required from the council at commercial rates. For its part, the authority borrows the money from the PWLB. "A big part of the revenue generated for the council at the moment is in the form of interest on loans because it can borrow at PWLB rates," says Lacey, adding that all profits from his company are also ultimately returned to the authority.

A different model again can be found in the London Borough of Havering, where the council has set up a joint venture (JV) with Wates Residential following an OJEU compliant procurement process. The JV was formally established in April last year, following a cabinet decision in January, and is 100% funded by the authority's HRA. The ambition is that the JV will redevelop 12 council estates, which currently total 900 units, and replace them with thousands of new homes. The council will retain the freehold and ownership of the social units and has a 50% stake in the JV.

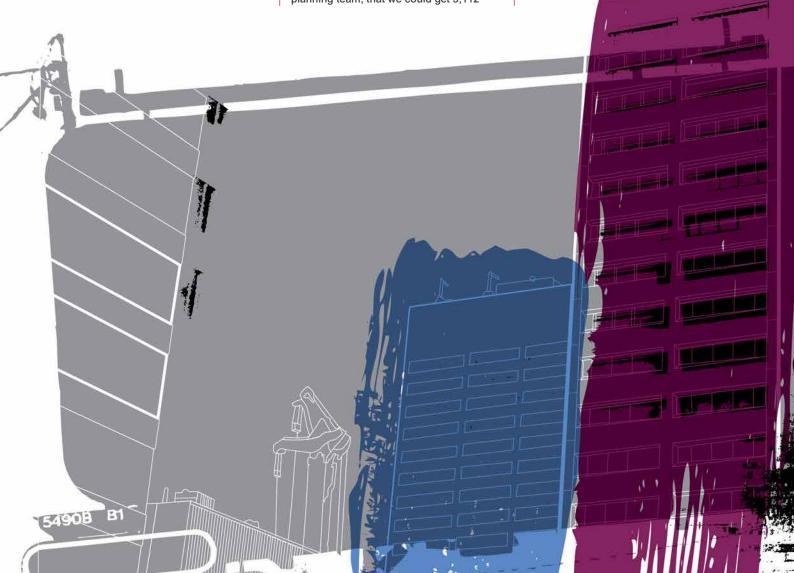
"Through intensification and redevelopment we thought we would get in the region of 2,700 new homes on those sites,"

says Neil Stubbings, director of regeneration at Havering council.

"However, part of the procurement exercise was about asking the market to use its expertise on whether that number was about right or whether we could get more out of it. The bid from Wates identified, after conversations with our planning team, that we could get 3,112

units and within that we could double the affordable housing. We would get something in the region of 1,000 units of affordable housing and also deliver around 2,000 open market sale units."

So why are councils rolling up their sleeves and starting to build again? Partly it's the housing crisis, it is simply the right thing to do, but done well it is also a way creating new income streams after years of austerity. "There is pressure on council finances and a recognition among the more entrepreneurial councils that they can't rely on central government grants," says Finn Williams, co-founder of Public Practice, who works with authorities across London and the South East.





# **EMPOWERING COMMUNITIES** To engage in the planning process

—— Q&A with Nancy Astley, Planning Aid

When it comes to the early stages of an estate renewal project, a great deal of importance is placed on the quality of the plan. In order to ensure plans are robust, developers and housing associations rely on advice from professional planning consultants, while councils of course have their own departments.

Residents, however, are unlikely to have the resources to hire planning consultants to act on their behalf. And that, says Nancy Astley, a volunteer at Planning Aid for London, is where her organisation comes in.

#### How old is Planning Aid for London and why was it set up?

Planning Aid for London is a charity that was set up in 1973 as a by-product of the squatters movement. So, when squatters' rights came into question in Brixton, there was a big debate about the lack of affordable housing. Planners thought that they could be doing more to help their communities and Planning Aid for London was set up by a couple of planners who started travelling around and giving free advice to community groups who wanted better housing standards.

#### Does that remain its core purpose?

It has widened a little now. We have a network of professional planning volunteers. So, when you become a town planner, you can do part of your CPD [continuing professional development] by doing work for the charity providing professional advice to local individuals and groups who would otherwise not be able to afford proper planning support. It's about reaching those groups who don't have the money to afford professional help.

#### What rules govern who can apply for help and who can't?

There aren't many. We do say that it can't be for your own gain. So, we wouldn't give free advice to somebody who called us up and said that they wanted to build an extension to the house. If the extension happened to be for disability purposes or for an elderly person who needed a downstairs toilet or shower that would be a different matter. Each case is assessed on its own merits.

Do you tend to provide help on those smaller types of project, or do you support people on large developments too?

Over the last 40 years, we have been involved in everything from the very minor, such as ground floor extensions, through to work on King's Cross. We did some work for Crossrail and were offered work by the Olympic Delivery Authority. We will have worked on most major schemes in London at some point or in some capacity. That includes policy. We also comment on the London Plan and have been involved in the London Plan enquiries over the years as well.

#### Do you find that your support is needed on housing estate regeneration projects?

I've been involved in a few, yes! Our role varies a lot depending on how we're brought into a scheme and who has ask for our help. Very frequently, we are engaged as a friend of the people in order to gather the residents into a structured community organisation so that they can give comments back on forthcoming regeneration proposals. Often, we will work on a scheme in that capacity for six months or a year until the proposals have



### Do you work for housing associations directly?

Yes. On other schemes, we've had housing associations actually employ us as a charity to come in and not just form the groups but teach them the necessary skills to comment on plans, interview architects and actually help design the estates. On Central Park in Lewisham, I worked with residents for over 10 years. That was with Family Mosaic, which was one of the first housing associations to employ us up front before they employed architects or anyone else just to gain an understanding of what residents wanted and needed from the estate. We then formed groups of residents and went on to interview architects and visit their offices and got very involved in the whole scheme.

### Do you think it's easier for Planning Aid for London to gain the trust of residents than it is for other organisations?

I think that because we are truly independent, we aren't affiliated to any organisation and that includes the Royal Town Planning Institute, we are able to give a very independent picture. I think that independence brings a level of trust that other groups have problems gaining.

Do you think the approach to estate regeneration among councils, housing associations and developers has improved in the last 10 years?

I do. I think developers, particularly on major schemes, have come an awfully long way to realising that communities have a role to play and that their involvement is needed if a scheme is going to be successful. I think that they still have a long way to go in terms of involving communities at an early stage. Often, they only engage when a scheme is close to being submitted and are only asked to comment on certain bits and pieces. But I think generally the big developers in particular realise now that they need residents in order to create a successful project.





### — trowers.com

All rights reserved to Trowers & Hamlins LLP. Readers may make verbatim copies of this document for non-commercial purposes by any means, provided that this copyright notice appears on all such copies.

Trowers & Hamlins LLP is a limited liability partnership registered in England and Wales with registered number OC337852 whose registered office is at 3 Bunhill Row, London EC1Y 8YZ. Trowers & Hamlins LLP is authorised and regulated by the Solicitors Regulation Authority. The word "partner" is used to refer to a member of Trowers & Hamlins LLP or an employee or consultant with equivalent standing and qualifications or an individual with equivalent status in one of Trowers & Hamlins LLP's affiliated undertakings. A list of the members of Trowers & Hamlins LLP together with those non-members who are designated as partners is open to inspection at the registered office.

Trowers & Hamlins LLP has taken all reasonable precautions to ensure that information contained in this document is accurate but stresses that the content is not intended to be legally comprehensive. Trowers & Hamlins LLP recommends that no action be taken on matters covered in this document without taking full legal advice. © Trowers & Hamlins 2019

