



Andrew Wood, Secretary, Isle of Dogs Neighbourhood Planning Forum

14.06.17

Re. Isle of Dogs Neighbourhood Plan Regulation 14 Consultation

Dear Andrew,

I am writing on behalf of the 4 Estates Forum, to welcome the draft Neighbourhood plan that is currently out for consultation. The 4 Estates Forum support the basic premise of the Neighbourhood Forum that the Island cannot sustain any more development without infrastructure. It should be no surprise to you that we support the contents of Chapter Four which is on Estate Regeneration, and our comments are as follows:

JUSTIFICATION AND EXPLANATION OF POLICIES

Tower Hamlets Council's comments make the valid point that policies should be evidenced, with reference to local and national planning policy frameworks where relevant, along with accessible explanations as to why they are necessary. The briefing accompanying the draft Neighbourhood Plan was prepared based on the experience of the process of resident engagement on our estates, as well as research into good and bad practise in other areas. The document contains most of the justifications and explanations needed. A 4EF member submitted draft explanations and justifications for all policies recommended in the briefing, but these were not included in the draft Plan due to deadlines. The 4EF suggests that these passages are added, as a starting point, then the 4EF and the IOD NPF could discuss possible revisions.

ADDRESSING CONSULTATION RESPONSES

The main criticisms of draft estate regeneration policies – from Tower Hamlets council, and Quod on behalf of One Housing Group (OHG) and Argent – make the same central point, that the draft policies cannot legitimately be considered 'land use' matters, and are therefore invalid as policies, although they could be included as expressions of the communities' wishes in an appendix, effectively making them recommendations that cannot carry any weight with officers or councillors when making decisions on planning applications, as opposed to policies which have been sanctioned by a planning inspector.

Neighbourhood Plans are relatively new. The 4EF believes that regulations are unclear with regard to what can legitimately be included in them as formal 'policies,' particularly concerning estate regeneration, as few Neighbourhood Plans have included any detailed proposals on relevant issues. As one example, St Ives Plan imposes restrictions on who can buy new homes in their area. A planning inspector approved this policy, despite the fact that it doesn't directly concern a 'land use' matter. For this reason we support the retention of all draft policies, as policies, with some suggested additions and amendments below.

We also suggest that the 4EF and the IOD NPF consult Tower Hamlets council officers to obtain a detailed analysis of regulations and precedents of what can and cannot be included in Neighbourhood Plans as policies. It may well be possible to explain and justify all or most of the draft policies as methods of implementing general principles contained in Tower Hamlets Local Plan, Mayor of London Draft Policies, and the National Planning Policy Framework, so we would like to work with the IODNPF to ensure that policies are defended and explained as robustly as possible.

Significant issues need to be addressed before we can support an adopted plan. Suggested changes are detailed below, after the current proposed policies which are reproduced in **blue text**, as in the draft plan, *with some comments or reasons in italics*.

ER1 – RIGHT TO VOTE TO APPROVE OR REJECT FINAL PROPOSALS

In general we welcome this section and are specifically pleased to see that it includes requirements on maximising resident engagement and independent advice. We suggest the addition of the following explanatory introduction.

All policy guidance and landlords recognise the need for estate redevelopment to have the support of the majority of residents. The IODNPF supports independent secret ballots as by far the most credible and fair way of assessing resident support, because the alternative, ‘independent’ surveys – as samples based on one-to-one interviews - are less inclusive than elections.

With surveys landlords are also more likely to be able to consult at short notice of their choosing, control information given to residents beforehand, and the format of questions. Fair elections avoid the possibility or perception of the independent organisation carrying out the survey being influenced by the landlord, enabling more trust in the result – a crucial benefit for all parties. An election campaign also allows any groups opposed to proposals (who do not have the same resources as landlords) to put their case in a publicised period notified well in advance. Election campaigns also traditionally facilitate Hustings events where residents can listen to all arguments and points of view, and ask questions of all sides – vital elements. There is no record of surveys allowing such impartial, collective engagement and debate. The case of Central Hill in Lambeth illustrates all these points.

In addition in this section we suggest that point 5 is amended as follows:

5) The final step in the involvement of residents should be a vote by the affected residents between multiple options.

We have suggested this has been changed because ‘redevelopment’ implies at least some demolitions, stating that the choice is between ‘options to redevelop,’ assumes some demolitions. This contradicts ER2, 1 below which states that one option should be no change/no demolitions.

We suggest that point 6 is amended as follows:

6) A vote is triggered by any proposal that involves the demolition of homes. Votes may also be needed for other proposals that could have significant impacts on existing resident’s quality of life, for example, proposals for **infill building or adding extra floors** or taking up open space.

Votes being triggered by ‘non-demolition’ schemes which could still have negative impacts is a positive policy but the addition of 10% of new homes is an arbitrary figure. It may be that an addition of 11% of homes doesn’t have any negative impacts. Alternatively, adding 9% of new homes might have significant pros and cons to be assessed.

ER2 – CONDUCT OF ELECTIONS

We welcome this section especially in regard to setting out the options available to residents and the operation of independent ballots, to ensure an objective, fair decision making process. Our suggested amendments are:

1) The vote should be a clear choice between different options, the wording of which to be approved by residents, landlords and LBTH Democratic Services in advance as being clear and unbiased. One option shall involve no demolition of homes.

We are suggesting this change because the policy needs to be very clear. Demolition of homes is the life changing element of any regeneration plan. 'One option shall be a no, or minimum, change proposal' does not explicitly recognise that. A landlord could portray minimal demolitions as a minimum change option.

4) Every reasonable effort should be made to maximise turnout by having the voting period over several days, and by ballots being able to be submitted electronically given appropriate security controls, as determined by the Independent Organisation. The electorate shall be determined as part of the resident consultation process for the estates concerned..

There isn't a settled consensus that one vote per household is the only and best entitlement. One vote per registered tenant and owner is another verifiable, fair possibility. Both methods would be legitimate ways for residents to express their views. There is also a debate over the rights of non-resident leaseholders having a vote.

6) When such offer document is distributed, recognised resident's associations shall be able to add their own literature stating their view on the options, which may include opposition to the proposals. The cost of printing and distribution shall be borne by the landlord. Although there should be freedom to express views, LBTH Democratic Services and/or the Independent Consultation team should help to ensure that facts are distinguished from opinions. The explanation of proposals therefore needs to be clearly detailed

7) Counting of votes and declaration of results shall be by estate. Results should also be aggregated by block or street as appropriate and by type of tenure and publicly made available (as well as/at) the same time as the final vote result. The specific arrangements shall be determined by the Independent Organisation, in consultation with TRAs and landlords.

ER3 – RESIDENT PARTICIPATION IN A TRANSPARENT, INCLUSIVE, OBJECTIVE DECISION MAKING PROCESS

We welcome this section as it is a core principal of the 4EF. Independent advice should be step one, because this is key to enable residents to scrutinise a stock condition survey and assess options. Suggested additions are as follows:

1) Independent advice must be made available to residents. The selection of independent advisers shall solely be made by recognised residents associations, but the cost shall be borne by the social landlord.

2) A stock condition survey must be carried out by an independent body appointed by affected residents, the cost to be borne by the social landlord. LBTH shall validate the results and process, and residents given opportunity to scrutinise results with the help of suitably qualified independent advice.

3) Option Appraisal: The social, economic, and environmental costs and benefits of all proposed options for the future of an estate should be assessed in detail to ascertain which are viable, as well as the pros and cons of each scenario. All assumptions and financial details should be published for all options for the future of estates, whether proposed by residents or social landlords, including those the landlord considers unviable. Information should be disclosed for all options: from no change except planned maintenance; to infill with no demolitions; to partial redevelopment; to full redevelopment at different densities .

Information published should include: costs of planned maintenance and repairs, and possible refurbishments. For redevelopment options; costs of demolitions; construction; professional fees; borrowing; compensation for tenants and owners; strategy for facilitating the right to return for tenants and owners, and the financial implications; sales values and rental yields of private units; affordable housing - quantities, tenures, rent levels, service charge levels; market values; CIL & S106 contributions; developers' profits and social landlord surpluses.

Residents must be given sufficient opportunity to scrutinise results with the help of suitably qualified independent advice.

ER4 – RIGHT OF RETURN

This section not only sets out the terms for a right to return but also the extension of existing benefits to residents and like to like issue which are key issues for the 4EF should there be consultation on the future of our estates.

2) Relocation of residents should be on a one-move-only principle, where possible, with residents moving from their old home straight into their new home, as happened in New Union Wharf, through a phased demolition and construction programme. The use of temporary accommodation should be minimised, locally provided, and periods made as short as possible. Details must be clearly explained as part of proposals.

4) Residents must be enabled to return to the same estate in which they originally lived.

This amendment has been made because residents must be enabled to return to the same estate if they wish, as the area of the Forum is too large and most regeneration schemes have a right to return to the same estate.

6) There should be no adverse financial consequences (covering rent, service charges and removal costs) for residents as a result of their relocating, which would prevent their being able to return.

This amendment has been made as it would help to explain what adverse consequences could be, other than the compensation policies detailed below. Hopefully they are enough.

ER5 – TENANTS' RIGHTS AND COSTS

We welcome this section as any regeneration of our estates can only happen if tenants rights are protected and they are no worse off financially.

1) The existing security of tenure and of affected tenants must remain unchanged.

This change has been made because the original wording repeats the same point twice, and referring to security of tenure will avoid unnecessary concerns and questions.

3) Tenant's existing rent levels must be retained (even if the new home has larger rooms), unless they move to properties with more or less bedrooms. Tenants should be able to choose if they wish to benefit from extra services that increase service charges, for example, a concierge. Regardless of changed service levels or whether tenants' new homes have fewer or more bedrooms, the regulatory status of rents must also be retained; 'social' target rents, defined by national regulations based primarily on local incomes, must remain 'social' rents, as opposed to rents being governed by regulations for 'affordable' target rents, based on market rates.

This change has been made because it's in everyone's interests to make this very clear by using the terms that are defined in regulations, to avoid unnecessary concerns and give legal protection. 'Except for normal annual increases' could also cause unnecessary confusion, because changed regulations mean that for the next four years both existing social and affordable rents will have to be cut by 1% per year.

ER6 – LEASEHOLDER AND FREEHOLDER RIGHTS

This is an area of concern across all four estates and the 4EF welcomes provisions which protect the rights and financial position of leaseholders and freeholders.

1) Affected leaseholders and freeholders must have the right to receive a new property of equivalent size and location without paying either additional ground rent or service charges. Owners should be able to choose if they wish to benefit from extra services that increase service charges.

2) They must retain (as a minimum) an equity share in their new property equivalent to the true market value of their existing property as determined by (the Independent Consultation Team) an independent valuer appointed by, and shall not be less than the price which the freeholder or leaseholder paid for their existing property.

3) As new properties are likely to be valued at considerably more than original homes, many owners would not be able to afford to buy new properties outright. Owners who choose to return, (as opposed to those choosing to take market value compensation and move away), must be able to obtain 100% ownership of their new property at some point in the future without having to buy more equity in addition to what they could originally afford. This is conditional on owners using all of their market value compensation and Home Loss payment to buy as large a share as possible. The landlord 'topping up' owners' equity like this is known as a Home Swap model, as detailed in the Estate Regeneration National Strategy. The qualifying period before owners reach 100% ownership – normally 7 years - should be detailed in advance of any public vote.

Landlords should also report on the possibilities of 'early buy back' options as detailed below. Where 'returning' owners use their compensation to buy a share of a new home early, possibly before it is built, thereby reducing landlord's borrowing costs.

This has been proposed because the Estate Regeneration National Strategy also lists an 'early buy-back' option.

4) Policy ER2 (2) also applies.

Policy ER (2) is: if more than two options exist, then either multiple voting rounds must take place to narrow down the options to two, or a single transferable voting system can be used, in the reasonable judgement of LBTH Democratic Services.

How this applies to compensating owners needs explanation.

5) Leaseholders and freeholders should be given the option to upsize or downsize. A robust and fair process must be agreed democratically constituted TRA's in advance of any public vote.

The 'Independent Organisation' must mean the one managing the election. That's a completely different job to determining a fair process for downsizing. Social landlords need as much notice as possible of how many different sized properties to allocate. Owners need to know the costs.

Justification: there have been many estate regenerations in Tower Hamlets in recent years. They have all included a public vote between different options, for example at New Union Wharf.

Robin Hood Gardens and the Ocean estate did not get a vote, Therefore the focus should be on New Union Wharf.

ER7 – ESTATE SMALL BUSINESSES, RETAILERS, AND COMMUNITY ORGANISATIONS

The estates where we live can only function with the retailers and community organisations on our estates and therefore we welcome this section.

ER8 – PUBLIC PROFIT REINVESTMENT

Residents need any surpluses made by housing associations and LBTH (due to the Stock Transfer development clawback clause) to be spent on redeveloped estates.

The title should be changed to:

ER8 – REINVESTMENT OF REVENUES AND PUBLIC PROFITS

This has been changed because Housing Associations used to be classed as private organisations (until recently), and probably will be again soon.

As all LBTH council estates on the IOD were transferred to housing associations, LBTH should commit to invest its share of any surpluses, (due under the stock transfer contract of 2005), in providing more genuinely affordable homes, benefits to affected tenants and owners, and necessary infrastructure that cannot be funded by other sources, such as the Department of Education, or the NHS. **In the same way, housing association's operating surplus margins should be reduced to a workable minimum to maximise the delivery of affordable housing, compensation to residents, and local infrastructure.**

This does not distinguish between possible profits made by LBTH through estate regeneration and the Canal and Rivers Trust. These are completely different cases and should be treated that way. If the Canal and Rivers Trust make a profit by selling land to an estate regen project, that should be dealt with separately, but it needs to be explained how that could be addressed in a policy on estate regeneration, which is probably a policy recommendation that all public land should be sold at less

than 'best consideration' to facilitate the delivery of more affordable housing as TFL will do, to facilitate London Mayoral objectives. The Mayor of London and local authorities can't require this of other public land owners but a recommendation would be a positive thing. Councils and the GLA can and do set guidelines for housing associations, so this policy section should focus on them.

Just as importantly, housing association's operating surplus margins should therefore be reduced to a workable minimum to maximise the delivery of affordable housing, compensation to residents, and local infrastructure.

It is essential that both LBTH and Housing Associations commit to this, for the reasons detailed in the briefing. Otherwise it could be possible for HAs to offer minimal benefits, (as long as they meet planning guidelines on affordable housing and limited legal rights for tenants), while exporting millions to areas with less housing need. If such a planning policy can legally apply to a council it should be legitimate to apply it to a HA. If it gets ruled out as a policy it should be a recommendation. Leaving out Housing Associations is unacceptable.

We also request that a crucial section be added – in the policy section, based on the briefing, so it would become section 9.

ER9: INTERMEDIATE AFFORDABLE HOUSING

In addition to re-providing social rent units for existing residents, any additional affordable housing provided should follow Tower Hamlets policy guidelines:

a) 70% should be for 'social or affordable rent.' 'Affordable rent' levels should be set at borough 'target levels' or lower.

b) The vast majority of the 30% of units devoted to 'intermediate products' should be for London Living Rent (LLR) or similar 'rent to buy' products, (eg, Tower Hamlets Living Rent if adopted and lower than LLR), because this would make them much more affordable to the intended beneficiaries, (average earners and key workers), than shared ownership or discount market sales, as evidenced by comparative local costs.

This section is suggested because the new Mayor of London's Draft Affordable Housing Supplementary Planning Guidance (SPG) of 2016 states that for 'intermediate dwellings to be considered affordable, annual housing costs, including mortgage, (assuming reasonable interest rates and deposit requirements), rent and service charges, should be no greater than 40% of net household income.' (Mortgages are assumed to be for 25 years with a 90% loan to value ratio). 'Generally shared ownership is not appropriate where unrestricted market values of a unit exceed £600,000.' Shared ownership costs on the Isle of Dogs do not meet these criteria. Discounted sales products are even further beyond the reach of average earners.

See briefing for summary of the evidence on housing costs. Tower Hamlets Draft Local Plan has no policy on preferred types of intermediate housing, (unlike specifying levels for affordable rents). But this implements their general principle, of maximising affordability for target groups.

ER10 – RECOMMENDATIONS FOR HOUSING REGENERATION

The 4EF welcome this section and endorses the recommendations for housing regeneration areas put forward in the George Clarke review for the Department of Communities and Local Government.

Thank you very much for giving us the opportunity to comment on your plan.

Yours sincerely,

Mike Tyrrell on behalf of members of the 4EF