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Capital Homes: Trust, design and community engagement

Roundtable report - July 2019

Credit: Vanessa Graf

This paper summarises key points made in discussion at the first Capital Homes expert roundtable, held under the Chatham House rule in May 2019.

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The problem

Despite public acknowledgement of the need for new housing, planning and building in London has become increasingly challenging and controversial with local communities in recent years, with a number of high-profile schemes becoming a focus for debate.

Research suggests that opposition to developments can often stem from concerns about strains on local services, worries that a new development will change the identity of an area, and suspicions that a local authority is not acting in the best interests of residents.¹ Centre for London's 2016 report *STOPPED: Why people oppose residential development in their back yard* found

that in many cases opposition is rooted in concern that development will not benefit existing communities, but rather private developers and those who can afford new homes at market prices. In some cases, it focuses on the quality of what has been built, and on promises that have been broken in the past. In its current form, engagement is often viewed as tokenistic, rather than as part of a genuine effort to involve local communities in decision making.

As pressure for new development intensifies, how can better engagement create the housing that London needs, and the type of places that communities value.

Issues and opportunities

Planning policy supports for engagement, but take up is slow and the process still complex

Despite an increasing policy focus on community involvement, with the 2011 Localism Act expanding community powers, many people still feel outside of the process and perceive that decisions are made in dark rooms with little scope for influencing.

Initiatives such as Neighbourhood Plans, which allow local residents to set the framework for how their area changes, are time consuming and complex to navigate. Some local groups have reported underestimating the levels of time and involvement necessary in driving a Neighbourhood Plan forward.² Additionally, plans are more commonly taken up in rural areas (67 per cent),³ while only 4 per cent of 'made' plans are in the 20 per cent most deprived areas, while 20 per cent are in the 20 per cent least deprived areas (IMD).⁴

Likewise, Community Right to Build Orders (CRBO), which allow local people to develop without planning permission (provided that certain criteria are met, such as a referendum of local people), have not been widely adopted.

Some at our discussion expressed concerns about self-selected communities (such as more affluent residents) taking a leadership role. While these processes have the capacity to give local people greater involvement in the process, they do not always represent the demographics or character of a local area, so these views must be balanced with others. Compared to a local authority, a community group may engender greater trust, but it does not have an electoral mandate or any accountability.

Late and tokenistic engagement on specific schemes creates kickback

Relatively low levels of uptake of these community powers means that the planning system is mainly experienced through more traditional mechanisms, such as formal consultation on planning applications, which come at the end of the process and focus on giving a thumbs-up or -down to a specific proposal, rather than discussion about how a neighbourhood is going to change as a whole.

Our participants suggested that many people perceive that their involvement is tokenistic; decisions are made well before notices are posted on lamp posts offering citizens the chance to review plans in their local town hall. Residents are then invited to look at plans in their local hall, with no power to change things except through arguing for an application to be turned down. Many suggested that this type of involvement can make local people feel their engagement is part of a cynical attempt to 'sell' a scheme to planning committees and can generate pushback and rejection as a result.

Early and prolonged relationship building with local people was also cited as good practice in conveying the potential benefits to an area. In Bexley, Peabody ensured that residents of South Thamesmead were involved from the outset, speaking to 470 residents in the first few months of the project, tailoring plans in response to resident feedback.⁵ Similarly, participants mentioned the need to maintain this communication over the course of the project, putting in the time to engage with residents and providing solutions to small requests, in order to build the platform to do bigger, more ambitious things. For example, as part of the regeneration of Bow Cross, Swan Housing developed a staircase of engagement, which included informal activities such as welcome events and fun days, alongside more formal engagement like design exhibitions and resident meetings.⁶ However, some caution was expressed about the time demands of such engagement, especially where developments are time sensitive, and cost constrained.

Finally, good local engagement was viewed as making schemes better, and even raising densities. Roundtable participants noted that the received wisdom was that more public involvement would mean local people would push for lower densities. However, many felt that this was an unfounded concern, offering examples of cases where residents had actually pushed for higher densities where they felt in control. The public is not necessarily against high densities, one participant volunteered, but against bad design.

More meaningful participation has been enabled by balloting

In 2018, the Mayor of London introduced mandatory ballots for estate regeneration schemes seeking mayoral

funding and including the demolition of affordable homes or homes which were previously social homes.

Early experiences have been positive, according to roundtable participants. If there is a good turnout and a strong, positive response to the plans, ballots give architects and developers a mandate with local authorities and can, in some cases, allow a push for higher densities if local people support this. Balloting also makes developers 'do more'; it can take more time and energy to get people on side (with numerous one-to-one discussions), but ultimately this will provide people with more detail and a greater incentive to put forward a more considered approach to design.

However, balloting is still a relatively blunt tool that requires only a 'yes' or 'no' answer. Additionally, ballots will be focused on a specific scheme, meaning that they don't offer local people a say on the broader development of their local area. Another challenge is that balloting only includes people who are currently living on an estate and not those who could benefit from new housing (e.g., people on waiting lists).

Demonstrating local benefits can be powerful

Undoubtedly, communities want to see a lasting benefit from developments. In some developments it is clear that benefits have not been delivered, or potential benefits have not been effectively outlined to local people.

In some cases, developers have sought to change the narrative; to shift the meaning of redevelopment from simply changing the built form, to revitalising a community, through providing training, employment opportunities, community assets and facilities. The growth in social impact investing offered one way to reset the relationship and bring in capital that looked beyond financial returns. There was some discussion as to whether such arrangements could be more formalised as a 'deal' between local residents and developers, where the community negotiated on their own behalf the benefits to be delivered from new building.

Strategic engagement is more limited

While local deals may attract support, larger-scale engagement has been limited. Debates around opportunity area planning frameworks, for the locations identified by the Greater London Authority

as London's major source of brownfield land with significant capacity for development, have at times been controversial and challenging. And in relation to the London Plan itself, which sets the framework within which many planning battles play out, public debate and engagement has been extremely limited, except through the formal examination on public process. There is not even a single centre where Londoners can go to understand how their city is planned to change, nor are new visualisation technologies widely used.

Honesty is undervalued

Additionally, some participants said that developers and local authorities are not entering into honest engagement with the public (or each other) about the potential limitations and constraints. Some features of a development will often be promised but not delivered on, which is viewed as toxic to community trust. There needs to be better management of expectations; some felt that the development industry can be reluctant to say 'no', and to explain the financial and other constraints that are at play. Local people were pragmatic and perceptive enough to understand potential trade-offs, so there is capacity for greater honesty in the system.

Planning negotiations look opaque

Developers and local authorities also play a game of negotiation between themselves, again removing clarity and openness from the process. Some participants expressed the view that there is a sense that mistrust is ingrained in the system, right from the very beginning; developers and local authorities all start with a negotiating position, 'holding back' where they expect to do a deal.

As some noted, the viability approach to affordable housing is one driver of this: developers buy land on the basis of what they think they might be able to negotiate, rather than clear pricing information about what they will be required to deliver. Participants felt that this opaque process can fuel a perception that local authorities are willing to 'sell out' to developers: a local plan may outline the need for a certain amount of affordable housing, while later a viability assessment will lead to a reduction in this figure. Now that affordable housing is so heavily reliant on developers rather than government grant, this process is the focus of intense political debate, but its opacity can cause confusion, and erode trust in the system, as well as those operating within it.

Councils acting as developers can deliver benefits, but also create suspicion

Participants highlighted that local authorities are increasingly acting as developers, or through housing delivery companies. Last year, Centre for London found that 14 boroughs have direct delivery programmes and 17 have wholly-owned development companies, with a total of 23,600 homes to be delivered through council-led approaches over the next five years.⁷

With a lack of government housing grant (and until recently tight controls on housing revenue account borrowing), councils have built private for-sale housing used to cross-subsidise new affordable rented homes. The scale of developments has been relatively small, but some predict there will be a snowball effect where councils will build more as they create more income and take advantage of relaxation of rules regarding borrowing within the housing revenue account (the ring-fenced account for council-owned social housing).⁸

As some suggested, while public sector provision has the potential to deliver more and recycle returns for public services, the establishment of these new companies has created an internal tension, where councils are often torn between maximising receipts and maximising affordable housing provision. In this way council-led development, while having worthy motivations and some positive outcomes, is also viewed as increasing scepticism and suspicion about the role of the local authority and the interests they serve.

Summary

The current system can be confusing and opaque, with complex relationships between developers, local authorities and communities exacerbating the challenges of urban development. In some cases, trust has been eroded by tokenistic engagement that leaves local communities feeling that they have no power to influence important decisions.

To improve these relationships and rebuild trust, there is a need for earlier, deeper and more honest engagement with the public. Conversations must allow time to give local communities scope to influence a development. The perception that engagement is taking place as a tick box exercise after decisions have been made inevitably creates kickback. Additionally, engagement can't be a one off. Successful engagement is a regular and evolving conversation, as well as one that should allow for greater engagement in more strategic plans. And put simply, this earlier and deeper engagement must also be honest. It is toxic to promise what cannot be

delivered; the public should be part of conversations about financial considerations and trade-offs and told candidly where something cannot be delivered.

With this in mind, here are some headline considerations for better engagement:

- 1. Be strategic**
- 2. Start early**
- 3. Modernise methods**
- 4. Talk about money**
- 5. Do what you say**
- 6. Focus the benefits**
- 7. Embrace the ballot**

Endnotes

1. https://www.centreforlondon.org/wp-content/uploads/2016/08/CFLJ4503_STOPPED_WEB_V2.pdf
2. <https://www.tcpa.org.uk/Handlers/Download.ashx?IDMF=30864427-d8dc-4b0b-88ed-c6e0f08c0edd>
3. <https://www.theplanner.co.uk/features/the-good-the-bad-and-the-ugly-of-neighbourhood-plans>
4. <https://www.neighbourhoodplanners.london/>
5. <https://www.londonfirst.co.uk/sites/default/files/documents/2018-05/Estate-Regeneration.pdf>
6. <https://www.londonfirst.co.uk/sites/default/files/documents/2018-05/Estate-Regeneration.pdf>
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