

**Report for:** 9 October 2018

**Item number:**

**Title:** Discretionary Home Loss payments to secure tenants of Tangmere

**Report authorised by:** Helen Fisher  
Director of Housing, Regeneration and Planning

**Lead Officer:** Alan Benson, Head of Housing Strategy and Commissioning

**Ward(s) affected:** All

**Report for Key/  
Non Key Decision:** Key

## **1. Describe the issue under consideration**

- 1.1. This report proposes that secure tenants of Tangmere receive Discretionary Home Loss Payments equal to the statutory Home Loss when they have to leave their home following the Cabinet decision to vacate Tangmere taken on 26 June 2018.
- 1.2. These payments will be payable to secure tenants when they have vacated their home and will also be made to secure tenants who have already moved as a result of the decision of 26 June 2018. The amount of statutory Home Loss payments is set by the Government and will increase from £6,100 currently to £6,300 on and after 1 October 2018.
- 1.3. The payments will be paid on account and in discharge of the Council's liability either (i) to make statutory Home Loss payments should the Council decide to demolish the block, or (ii) should the Council agree to strengthen Tangmere to make payments under this policy.

## **2. Cabinet Member Introduction**

- 2.1. On 26 June 2018 the Cabinet made the difficult decision to rehouse Tangmere residents before the end of October. However, that Cabinet did not make any decision on the future of Tangmere as it wanted to seek the opinions of Tangmere residents before making this decision in autumn.
- 2.2. Moving home can be stressful and particularly where someone is losing their home permanently. For this reason, the law sets out that secure tenants are eligible for Statutory Home Loss payments where their home is to be demolished. However, the law does not recognise the similar disruption cause when a property is being repaired/strengthened and where the households may be away from their original home for up to a year.
- 2.3. The urgency of the Tangmere moves, and the potential length of time tenants will be away from their home make Tangmere an exceptional case. This report

proposes to recognise this by offering Discretionary Home Loss payments to all Tangmere's secure tenants regardless of the eventual decision around Tangmere's future. I therefore recommend approval of this report.

### **3. Recommendations**

It is recommended that the Cabinet:

- 3.1. Notes the cost of payments as set out in 6.8
- 3.2. Notes the payment conditions set out in 6.10.
- 3.3. Approves the payment of Discretionary Home Loss Payments to secure tenants of Tangmere who have moved since 26 June 2018.
- 3.4. Approve as required by Section 1 – Financial Regulations paragraph 5.23 (b) within the Housing Revenue Account virement of £554K from the Depreciation Dwellings budget to a new budget Discretionary Home Loss Payments.

### **4. Reasons for decision**

- 4.1. Recommendation 3.3 is made because;
  - a) Should a decision be made to demolish Tangmere, secure tenants will be eligible for a statutory Home Loss payment.
  - b) Should a decision be made to strengthen the block, there would be no statutory requirement to make any payments to Tangmere secure tenants. However, there is still considerable inconvenience for secure tenants who are having to move at short notice, and would be unable to return to their home for at least a year even if the block is strengthened.
  - c) Extending the Home Loss payments beyond the statutory requirement will also help achieve the operational requirement to vacate the block before the end of October 2018, as the discretionary payments will be made once residents have moved out of Tangmere.

### **5. Alternative options considered**

Home Loss payments restricted to where there is a statutory duty to pay these.

- 5.1. This option was rejected as should a decision be made to strengthen the block, this would not offer any compensation payments to tenants who would be required to be away from their home for at least a year.
- 5.2. Further, it would not help to meet the urgent requirement to vacate the block before the gas supply is shut off at the end of October 2018.

### **6. Background information**

The requirement to move residents of Tangmere

- 6.1. On 26 June 2018 the Cabinet approved the rehousing of residents from Tangmere, following receipt of structural reports and the decision taken by Haringey's gas suppliers to switch off the gas supply to Tangmere in October 2018. The Cabinet also approved the adoption of the Tangmere Rehousing Priority Scheme (the Priority Scheme) and consultation on;
  - (i) The future of Tangmere (and Northolt);
  - (ii) The draft Broadwater Farm Rehousing and Payments Policy (the Payment Policy); and
  - (iii) The Broadwater Local Lettings Plan.
- 6.2. The Priority Scheme provided for payment of any moving costs residents incurred and offered residential leaseholders the equivalent to statutory Home Loss payments. These payments equalled an additional 10% above the value of a residential leaseholder's home and were offered regardless of whether the block was to be demolished or refurbished.
- 6.3. In contrast, the Priority Scheme did not offer any Home Loss equivalent payments to secure tenants. The Payment policy proposed that secure tenants would only receive Home Loss payments if and when a decision was made to demolish a tenant's home but excluded these payments if a decision was made to strengthen the tenant's block.
- 6.4. In usual circumstances, tenants would only be required to move following consultation on any proposals to demolish and any compensation package, and then a decision to demolish their home. However, the urgency to move these residents represents exceptional circumstances in which this consultation can only take place after many residents have already moved or received offers.
- 6.5. Officers consider that this scheme will not set a precedent for future occasions where possession is required to carry out repairs because of the exceptional nature of the Tangmere situation. In Tangmere, the entire block was found to have significant structural issues in April this year, and the October deadline set by the statutory gas provider means that the block needs to be vacated in a matter of months. Furthermore, the Council has stated that its preferred option is to demolish and rebuild the block, and is consulting residents on this proposal before a decision later this year. Even if a decision is taken to strengthen and refurbish the block, it will be at least a year before residents can return to their homes in Tangmere if they wish to.
- 6.6. Where individual tenants are required to move out for repairs to be carried out, they are in general permanently rehoused if the works are likely to take more than 3 months.
- 6.7. All of these factors make Tangmere an exceptional case and justify a decision to go beyond the Council's statutory duties as regards Home Loss payments in this case.  
Home Loss Payments
- 6.8. The Land Compensation Act 1973 sets out a statutory duty to pay Home Loss payments to secure tenants, leaseholders and freeholders where their home is

being demolished. The value of Home Loss is set by the Government and will increase from £6,100 currently to £6,300 on and after 1 October 2018.

- 6.9. Without a decision on the future of Tangmere, there is no statutory requirement to make these payments. However, Tangmere residents have been required to move urgently and will have to be away from their homes for at least a year if a decision is made to strengthen the block - or permanently if a decision is made to demolish.
- 6.10. These payments will be made on a discretionary basis but will represent the Statutory Home Loss payment should a decision be made to demolish the block.
- 6.11. Payments of discretionary Home Loss payments will be made in line with the Home Loss Payments Procedure set out in 5.1 (a), (c) & (d) of the Haringey Estate Renewal Rehousing and Payments Policy which states;
  - a) Payments will be made directly to the tenant or resident leaseholder.
  - c) Payments will normally be made only after the return of keys to the property the tenant is vacating and, for leaseholders and freeholders, the sale completion. However, an earlier advance payment of at least part of the total payment may be considered in exceptional cases of financial hardship.
  - d) All arrears will normally be offset against any Home Loss payment. This includes rent arrears for tenants, and service charge or major works arrears for leaseholders. Deductions may also be made for any Council Tax arrears.

## **7. Contribution to strategic outcomes**

- 7.1. Payment of the Home Loss payments will assist in the delivery of Strategy Objective 3 of the Housing Strategy 2017-2022 to drive up the quality of housing by supporting those affected by urgent rehousing of Tangmere tenants.

**Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**

## **8. Finance and Procurement**

- 8.1. This report requests Cabinet approves the payment of Discretionary Home Loss Payments to secure tenants of Tangmere who have moved since 26 June 2018.
- 8.2. From the 1<sup>st</sup> October the Discretionary Home Loss Payments set by the Government is £6,300.
- 8.3. There are 88 secure tenants who would be eligible for the Home Loss payment. This will cost the HRA a one-off revenue payment of £554,400.
- 8.4. Currently, the Depreciation - Dwellings budget is forecasting an underspend of £4,518k.

8.5. As there is no budget allocated for the Home Loss payment funds will have to be vired from the Depreciation budget within the Housing Revenue Account. Cabinet are requested to agree this virement as per recommendation 3.4

## 9. Legal

9.1. The Assistant Director Corporate Governance has been consulted in the preparation of this report and makes the following comments.

9.2. The Council has power to make payments as set out in this report, subject to its prudential duty in relation to finance, and its general duty to take account of the interests of all residents when exercising its powers.

9.3. Legal comments otherwise appear in the body of the report.

## 10. Equality

10.1. The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share those protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

10.2. The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

10.3. The decision is to make Discretionary Home Loss Payments to secure tenants of Tangmere block on Broadwater Farm. It follows that the impact of this decision is limited to these secure tenants.

10.4. The Cabinet decision in June 2018 to rehouse residents of Tangmere block was subject to an Equality Impact Assessment (EqIA), which can be viewed at this [link](#). The EqIA states that residents over the age of 65 and those from BAME communities are overrepresented among residents of Tangmere, relative to the population of Haringey as a whole. These groups will therefore be overrepresented among those impacted by this decision.

10.5. This decision will help to mitigate the adverse impacts of the rehousing of secure tenants. These are identified in the EqIA and include stress, which may be exacerbated by concerns related to personal finance. The decision will therefore help to ensure that the Council meets its equality duty to eliminate discrimination.

## 11. Use of Appendices

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There are no appendices.

## 12. Local Government (Access to Information) Act 1985

- Minutes and Cabinet papers (26 June 2018) including Tangmere Priority Rehousing Scheme and draft BWF Rehousing and Payments Policy  
<http://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=118&MId=8727&Ver=4>
- Draft BWF Rehousing and Payments Policy  
[https://www.haringey.gov.uk/sites/haringeygovuk/files/draft\\_rehousing\\_payments\\_policy.pdf](https://www.haringey.gov.uk/sites/haringeygovuk/files/draft_rehousing_payments_policy.pdf)
- Haringey Estate Renewal Rehousing and Payments Policy:  
[https://www.haringey.gov.uk/sites/haringeygovuk/files/estate\\_renewal\\_rehousing\\_and\\_payments\\_policy\\_2017.pdf](https://www.haringey.gov.uk/sites/haringeygovuk/files/estate_renewal_rehousing_and_payments_policy_2017.pdf)
- Equalities Impact Assessment for Tangmere Rehousing decision  
<http://www.minutes.haringey.gov.uk/documents/s102078/180626%20BWF%20EQIA%20final.pdf>