Report for: CABINET 10 March 2020

Title: High Road West Scheme - Next Steps for Consultation on

**Resident Offers** 

Report

authorised by: Dan Hawthorn, Director of Housing, Regeneration and Planning

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Ward(s) affected: Northumberland Park

Report for Key/

Non Key Decision: Key

#### 1. Describe the issue under consideration

- 1.1 The High Road West Scheme has undergone a significant review, with the aim of enhancing the benefits it can offer the North Tottenham area, and in particular of increasing significantly the number of Council owned social rent homes delivered as part of the scheme. That review has now reached a stage where the Council is ready to consult residents on certain aspects of the revised proposals.
- 1.2 Many of the new homes provided through the scheme are for existing residents of the Love Lane Estate. This report seeks approval to consult on the offers to existing residents which would form part of the scheme, namely benefits for secure tenants and non-secure tenants in temporary accommodation through a proposed Local Lettings Policy (Appendix 1), and a proposed Leaseholder Offer (Appendix 2).
- 1.3 The Local Lettings Policy and Leaseholder Offer would be included as part of the 'Landlord Offer' which would provide the basis for a formal ballot of residents to decide whether to support the scheme. Further engagement would be taking place in the coming months on other parts of the Landlord Offer, including the specific terms of the offer to non-secure tenants in temporary accommodation.
- 1.4 Following consultation as proposed in this report, and subject to confirmation of provisional funding (subject to a successful ballot) from the Mayor of London, Cabinet would be asked to approve the final Landlord Offer before the ballot of residents takes place. Only once that ballot has happened and only if it secures a positive result would the scheme proceed.

#### 2. Cabinet Member Introduction



- 2.1 Since 2018, this Cabinet has been working to deliver more Council owned social rent homes and to make Haringey a fairer and more equal place. As part of this drive, we have worked to refocus the High Road West Scheme so that it provides a significant increase in Council homes and to ensure that those affected by the scheme are given support, choice and fair rehousing options.
- 2.2 We believe that the offers described in this report are positive and fair. We understand that tenants and leaseholders have concerns about their current and future homes and have built relationships in the area as friendships, local ties and the local community have grown. We believe the Council is responding to these concerns and aspirations through these offers, recognising the varying needs and with an emphasis on affordability which will provide residents with the choice of new homes that they need.
- 2.3 We want to hear views from the community through an open and robust consultation process. We are absolutely committed to putting residents at the heart of the High Road West Scheme. Through past engagement and consultation we have shown our commitment to meet residents' aspirations such as the Council remaining the landlord of the replacement homes, developing a more generous offer for resident leaseholders, seeking leaseholders' views on the consultation questions and having a different approach to the valuation process. Residents have contributed towards the various rehousing guides, the Resident Charter, Resident Design Guide, ERRPP and the ownership of the replacement homes consultation. This next step will go even further towards honouring our commitment to put residents at the heart of change in their neighbourhoods.
- 2.4 The proposals set out here are still subject to the conclusion of discussions with the GLA regarding the funding of High Road West. We won't proceed to the consultation and residents' ballot until that funding is in place, but in the meantime we are keen to understand residents' views about our proposals. This takes us one more important step towards making a transformationally positive change for the people of North Tottenham.

#### 3. Recommendations

- 3.1 It is recommended that Cabinet:
  - i. Agree to proceed to consultation on the draft High Road West Local Lettings Policy, as described in paragraphs 6.8 to 6.14.
  - ii. Agree to proceed to consultation on the draft Leaseholder Offer as described in paragraphs 6.17-6.38.
  - iii. Note the intended discussion and engagement described in paragraphs 6.15-6.16
  - iv. Delegate authority to the Director of Housing, Regeneration and Planning, in consultation with the Cabinet Member for Housing and Estate Renewal, to approve the final consultation materials and processes in relation to the consultations described in paragraphs 3.1(i) and 3.1(ii).



- v. Note that following this consultation there would be a report to Cabinet regarding the following recommendations:
  - Adoption of the High Road West Local Lettings Policy and Leaseholder Offer
  - Adoption of the Landlord Offer document which incorporates these offers to residents and other benefits offered to residents
  - Agreement to proceed to ballot Love Lane Estate residents based on the scheme described in the Landlord Offer and supported by a business case for High Road West

#### 4. Reasons for decision

- 4.1. Since the outset of developing the High Road West scheme, the Council has been committed to working closely with residents on the Love Lane Estate. In December 2014, at the same time as agreeing the Masterplan for High Road West, Cabinet agreed the Secure Council Tenant, Leaseholder and Private Tenant Guides. These set out the assurances for these resident groups including rehousing options, compensation, and ensuring that Love Lane residents are able to benefit from and influence the regeneration proposals.
- 4.2. It is a commitment of the Council, as set out in the Secure Council Tenant Guide (2014), that secure tenants on the Love Lane Estate will have the option of a new home within the redevelopment area. The proposed High Road West Local Lettings Policy proposes to extend this to residents in non-secure temporary accommodation. The Estate Renewal Rehousing and Repayments Policy (ERRPP), approved by Cabinet in 2016 (revised 2017) and which forms the basis of the Council's commitments to those impacted by estate renewal schemes, does not apply to the substantial number of non-secure tenants who have been placed in a property on a temporary basis. This will therefore be a bespoke offer for non-secure tenants in temporary accommodation on the Love Lane Estate and within the masterplan area, and developed by engaging these residents. The aim of this is to protect the stability of the existing community on the Love Lane Estate or elsewhere within the masterplan area, with many of the residents now having lived within the same community for up to five years. If the preferred option is approved, these residents (alongside secure tenants) will be eligible for a secure home in the new scheme, if they have been resident in their home within the masterplan area for more than twelve months at the time the final offer is approved.
- 4.3. From the publication of the Leaseholder Guide in 2014, it has been a commitment of the Council to work with resident and non-resident leaseholders to develop an offer which would allow all resident leaseholders to remain in the High Road West area and ensure leaseholders, both resident and non-resident are not financially worse off.
- 4.4. The current draft Leaseholder Offer, reconfirms the commitments made in the Leaseholder Guide as well as following the outcome of the previous engagement and draft offer from 2018, with a number of enhancements over and above the ERRPP, which maintains the commitments to the residents, including the following:



- A further rehousing option for leaseholders referred to as a leasehold swap
- An enhanced equity loan offer which tackles concerns regarding affordability and allows resident leaseholders to access a new home within the regeneration area
- A 12 month grace period for family members/ beneficiaries which tackles concerns regarding succession to the benefit of the equity loan
- 4.5. The decision to progress with the High Road West scheme would be subject to a ballot of residents on the Love Lane Estate. This is a commitment of the Council, as set out in the Borough Plan, in line with the Mayor of London's Resident Ballot Requirement for funding of schemes which comprise the demolition of social homes and the construction of 150 or more homes. All residents eligible to vote would receive a Landlord Offer, which encompasses the specific offers for each tenure group, as well as wider information so that residents can make an informed decision about the future of their estate.
- 4.6. It is proposed that officers also engage with residents on other elements of the scheme which would form part of the future Landlord Offer for the Love Lane Estate, notably on the offer to non-secure tenants in temporary accommodation. This is to build on and continue the collaboration which has taken place with the community since 2012, and would involve engagement on the broad vision, priorities and objectives for the scheme, including information on design, numbers of homes (including tenure mix) and social infrastructure.

## 5. Alternative options considered

- 5.1. Officers have considered not undertaking consultation with residents on the Love Lane Estate, but have rejected this option as further consultation was a requirement outlined by Cabinet in 2018 regarding the Leaseholder Offer, and is a requirement of introducing a Local Lettings Policy.
- 5.2 Options in relation to each of the offers will form part of the consultation process for consultees' consideration.

### 6. Background information

6.1. The recommendations within this report follow previous Cabinet decisions in relation to the High Road West Scheme, in December 2014 and December 2015, which agreed the High Road West masterplan, the tenant and leaseholder guides, the commencement of the rehousing process for Love Lane residents, the demolition of the Love Lane Estate and noted the business case for the preferred delivery structure for the scheme. They also follow the decisions at Cabinet on 12th September 2017 and subsequently on the 9th October 2017 to appoint Lendlease as the preferred partner for the delivery of the scheme. The Council are currently in discussions with the GLA in order to explore ways to deliver a significant increase in Council owned social rent homes, through additional funding, which would further enhance the benefits delivered through this scheme. The recommendations within this report will support the scheme as described below, noting the aimed increase in social rent homes:



- Over 2,500 high-quality, sustainable homes.
- At least 750 affordable homes (a net increase of 539), which will improve the scheme's alignment the Council's housing strategy on affordability, ensuring that the homes will be affordable for local people.
- As part of the minimum of 750 affordable homes, upto 500 high quality, safe, Council owned replacement homes for Council tenants and resident leaseholders on the Love Lane Estate, which meet resident aspirations as set out in the Resident Charter and will be built to new fire and safety standards (subject to delivery of this number as part of a viably deliverable scheme).
- Over £10m of funding for social and economic support for both businesses and residents, including a contribution of c.£8m for supporting the Tottenham People Priority overall commitments.
- A new Library and Learning Centre and a refurbished Grange Community Hub which will provide improved community facilities early in the scheme.
- 143,500sqft of green spaces for the community including a large new linear community park with an outdoor gym, children's play area and Grange Gardens; a safe, central green space for local people.
- A new civic square which will be an important focus of local events and activities, bringing the community together, promoting cultural activities and enhancing activity and safety at night.
- Over 130,000sqft of commercial, retail and leisure space throughout the scheme providing a wide range of leisure, employment space, shops, cafes and restaurants around a new civic square.
- £500k of investment in the town centre and also a £500k fund for events and activities, as well as meanwhile uses which will revitalise the local centre during construction and afterwards.
- Over 3,300 construction jobs and more than 500 end-user jobs once the development is complete.
- High quality new industrial and maker/artisan space to support businesses, including those from the existing Peacock Industrial Estate.

# Estate Renewal Rehousing and Payments Policy (ERPPP)

- 6.2. In 2015 the Council began developing a borough wide policy, the ERRPP, for tenants and leaseholders affected by estate regeneration schemes so that there was a baseline offer to all residents in the borough. A borough-wide consultation was undertaken between November 2015 and February 2016 which included Love Lane tenants and leaseholders.
- 6.3. In 2017 the Council undertook consultation on a revised ERRPP which provided further commitments to tenants and leaseholders which was subsequently adopted by Cabinet in October 2017.
- 6.4. For secure tenants, the ERRPP includes a guaranteed Right to Remain in the new development, as well as a commitment that no tenant would be financially worse off as a result of estate renewal.
- 6.5. The ERRPP does not apply to tenants or licensees who have been placed in the property on a temporary basis, e.g. under a homelessness or a temporary housing duty. As a result, non-secure tenants currently living in temporary



accommodation on the Love Lane Estate or elsewhere within the masterplan area would not be eligible under the baseline terms set out in the ERRPP to a new home within the scheme, nor to compensation due to the impact of regeneration.

6.6. The offer to tenants and leaseholders presented here is funded from the Council's Housing Revenue Account (HRA), which consists of the rent and other fees paid by council tenants and leaseholders across the borough. The offer to tenants and leaseholders set out in the ERRPP, and the amendments to that baseline policy proposed for High Road West here, are focused on the need to balance a fair and reasonable offer to residents which reflects the cost, disruption and uncertainty whenever a home is affected by a scheme of this nature, with the fact that the HRA must also support the maintenance of all Council homes across the borough, and the need to build new homes.

### Leaseholder Guide and Secure Council Tenant Guide

6.7. The Love Lane resident guides for secure Council tenants and leaseholders, agreed in December 2014, accorded with the principles and commitments set out in the Residents Charter, agreed between the Council and residents. These draft guides detail the rehousing choices, support and compensation packages available for Love Lane residents. While noting that they would need to be developed further as the scheme developed, they provided firm commitments to residents. Further details of these guides are provided in the sections below.

## **Local Lettings Policy**

- 6.8. Haringey's Housing Allocations Policy 2015 (revised in 2018) determines which applicants on the Housing Register should be prioritised for housing. In exceptional circumstances the Council may decide to allocate properties applying different priorities to the banding system set out in the Housing Allocations Policy, through a Local Lettings Policy, in order to address certain local issues such as keeping a community affected by a renewal scheme together. The Housing Allocations Policy gives secure and assured tenants housed in regeneration schemes, Band A priority for a new home, either as part of the scheme or elsewhere in the borough, but this priority is not given to residents in temporary accommodation under a non-secure tenancy. The High Road West Local Lettings Policy intends to address this and promote a strong and sustainable community, by offering non-secure residents in temporary accommodation a right to return with a secure tenancy.
- 6.9. Officers propose that the Council consult on its preferred option for High Road West Local Lettings Policy sets out eligibility criteria for non-secure tenants in temporary accommodation on the Love Lane Estate or elsewhere within the masterplan area for a new home provided that the Council has accepted the main homelessness duty towards them at least 12 months prior to the publication of the Council's Landlord Offer documents and they have lived on the Love Lane Estate or elsewhere within the masterplan area for at least 12 months prior to the publication of the Council's Landlord Offer document and remain on the estate at the time properties become available. The publication date of the Landlord Offer is currently scheduled for September 2020. The Local Lettings Policy



would guarantee all but a small number of tenants within the masterplan area (based on the criteria outlined below), get a new Council home.

- 6.10. The requirement for a year's residence in the masterplan area is considered a reasonable duration in the context of the policy rationale of maintaining a strong and sustainable community and is also consistent with the GLA ballot criteria regarding the period of time eligible residents are required to have been on the housing register.
- 6.11. Residents will need to meet the criteria set out below in order to qualify for the Local Lettings Policy offer, in addition to the specific criteria described in paragraphs 6.9 and 6.14 for the preferred and first alternative options:
  - All residents in rented accommodation will need to continue to meet the eligibility and qualifying criteria of the Council's Housing Allocations Policy (as updated anytime in the future) throughout the period from the adoption of this Local Lettings Policy up to the point of their rehousing, whether on the High Road West scheme or elsewhere.
  - Non-secure tenants in temporary accommodation who meet the eligibility criteria may be in accommodation owned by the Council, a Housing Association or charity, or a private landlord, provided that they have been placed there by the Council.
  - To receive a secure tenancy, the applicant must be an existing named tenant. Other household members will not be entitled to a new tenancy on the High Road West Scheme, unless under exceptional circumstances, in which case this would be subject to agreement by the Discretionary Panel as described below (paragraph 6.12).
- 6.12. Where the standard offer would lead to an inequitable or unfair outcome for an individual resident, or to an outcome which is not in keeping with the general principles set out in the High Road West Landlord Offer or ERRPP, residents can make an application to the Discretionary Panel. While the Panel can not amend the offer for the whole scheme, it can amend terms for an individual resident where this is needed to ensure that resident receives an appropriate offer (see also Section 10 17 October 2017 Cabinet report "Revised Estate Renewal Rehousing and Payments Policy following consultation").
- 6.13. For High Road West, the residents in the block(s) in the earlier phases of the scheme would have priority for new homes in the scheme over those in the later phases. This is to permit the process of building the new homes so that residents can move into them, then demolishing the vacated area so that the next phase can progress. Subject to agreement with residents regarding specific housing needs, a priority system will generally work as set out below, excluding homes adapted for disability which would normally get enhanced prioritisation.

<u>Priority 1</u> – Any tenants who have had to be temporarily rehoused for their home to be demolished to allow the development to take place, and remain eligible, in order of their tenancy start date



<u>Priority 2 - Secure and assured tenants living in the next block(s)</u> required for demolition, in order of their tenancy start date

Priority 3 – Non-secure tenants living in temporary accommodation in the next block(s) required for demolition, in order of the date at which the Council accepted a rehousing duty towards them

<u>Priority 4 – Households in the subsequent block(s) required for</u> demolition, in line with the order of prioritisation in 2 and 3

<u>Priority 5 – Households on the Housing Register and not living in a property required for demolition under the Scheme.</u>

6.14. The Local Lettings Policy consultation would seek the views of all applicants on the Housing Register who would be affected by the policy, which would include non-secure tenants in temporary accommodation in other parts of the borough. This will include a question relating to the eligibility criteria set out in paragraph 6.9, and consultation on the following two alternative options, alongside the Council's preferred position described in that paragraph.

## Alternative non-preferred option 1:

- (i) Non-secure tenants will be eligible to a new home provided that:
- The Council have accepted the main homelessness duty towards them, pursuant to an application made before 9 November 2012, which is the date from which local authorities were able to discharge the main homelessness duty by way of a private rented sector offer, under amendments made by the Localism Act 2011; and
- They have lived on Love Lane Estate or elsewhere within the masterplan area for at least 12 months prior to the publication of the Council's Landlord Offer documents and remain on the estate at the time properties become available.

### Alternative non-preferred option 2:

(ii) Non-secure tenants will not have any additional priority for rehousing in new social homes built as part of the scheme.

### Proposed offer to non-secure tenants in temporary accommodation

- 6.15. Alongside the formal consultation on the Local Lettings Policy, resident engagement will take place in respect of other potential elements of an offer to non-secure tenants residing on the Love Lane Estate or elsewhere within the masterplan area.
- 6.16. Discussions with residents will include questions around compensation in relation to essential relocation costs and, consistent with the offer to secure tenants, support and involvement in the design of their new homes. The cost implications of any resultant offer to non-secure tenants will be dependent upon the outcome of these discussions. Any costs will be attributed to the High Road West Scheme and will be accommodated into the overall viability of the scheme. The proposed terms will be considered further by the Director of Housing, Regeneration and Planning in consultation with the Cabinet Member



for Estate Renewal and Housing for inclusion in the final Landlord Offer to be proposed to Cabinet.

### Development of a Leaseholder Offer

- 6.17. The Council has engaged with leaseholders, both resident and non-resident, on several occasions during the last few years through a series of workshops and events. The Council has also paid close attention to other estate regeneration schemes and ensured that all resident leaseholders, including elderly leaseholders, those with families and those who have had a change in their financial circumstances would not be financially worse off and would have genuine choice through the range of rehousing options, whatever the financial circumstances of the residents.
- 6.18. During 2014 the Council worked with residents to develop the masterplan and a number of documents including the Tenant and Leaseholder Guides and the Resident Charter, all of which were subject to public consultation and agreed by Cabinet on 16 December 2014. The Leaseholder Guide set out the following for leaseholders:
  - The Council's commitments to all leaseholders
  - The valuation process
  - The re-housing options and compensation
  - The compensation available for non-resident leaseholders
  - · Commitments regarding the new homes in the regeneration area
  - The phasing principles
- 6.19. The 2014 Leaseholder Guide also made clear that the Leaseholder Offer would be developed once the Council had progressed the regeneration scheme, this being the subject of later consultation as described below.
- 6.20. From November 2017 to January 2018, officers engaged with leaseholders on the Love Lane Estate to help develop a more detailed Leaseholder Offer for Love Lane leaseholders. During this time, officers undertook a door-knocking exercise to speak to leaseholders and held three workshops. Both resident and non resident leaseholders were invited to the workshops. Attendance, specifically from the resident leaseholders, was consistently good with up to two thirds of resident leaseholders attending all three workshops. The Independent Tenant & Leaseholder Advisor was also present at all three workshops as was a Turkish interpreter.
- 6.21. The feedback received through these workshops was utilised to help developed a draft Love Lane Leaseholder Offer which was subject to engagement and consultation. The Offer did not proceed at that time as there were issues with the consultation process, including clarity regarding the rationale behind the consultation options, and the definitions used for resident and non-resident leaseholders. On 8<sup>th</sup> March, Cabinet responded to these issues, recommending that the consultation material was redrafted and the consultation repeated. Cabinet also recommended a longer consultation period of at least six weeks. Given that this coincided with the advent of the new administration and efforts to increase the number of Council homes delivered by the scheme, it provided an opportunity to review and enhance the offer.



- 6.22. Since this consultation has taken place, further engagement has taken place with the ITLA and residents which has helped to further clarify parts of the offer, including the process for dispute resolution and the approach to ensuring that leaseholders have access to funded financial advice.
- 6.23. The new and enhanced draft Leaseholder Offer addresses these issues and responds to feedback provided.

# The proposed Love Lane Leaseholder Offer

6.24. The Leaseholder Offer, which corresponds with the 2014 commitments to residents, is summarised as follows:-

#### Leaseholders can either:

- a) Buy a new home in the High Road West area with an enhanced equity loan from the Council (preferential loan arrangements (of up to 75% of the value of the new home) provided by the Council subject to need based on a financial assessment)
- b) Buy a home elsewhere in Haringey with financial support from the Council via an equity loan of up to 40% of the value of their new home, provided by the Council subject to need based on a financial assessment (largely in accordance with the terms of the ERRPP but including the '12 month grace' period referred to below)
- Buy a home without financial support from the Council
   (as per the ERRPP the resident's current home is purchased by the Council and the resident finds their own alternative home)
- Request a leasehold swap (subject to limited availability and in accordance with a robust process to ensure management of the Council's stock)
- e) Exceptional circumstances
  (Where the Discretion Panel agrees that an applicant finds themselves in exceptional circumstances it will assist the applicant to identify the most suitable offer that they can afford. This may include alternative financing, a smaller property or a rental offer.)

## The Leaseholder Offer also sets out:

- (i) The valuation process (and dispute resolution process)
- (ii) Home Loss and disturbance payments provisions
- (iii) Arrangements for financial assistance
- 6.25. The Offer includes commitments for resident leaseholders that go beyond the ERRPP baseline as follows:



- The leasehold swap (in alignment with the 2014 Leaseholder Guide commitment) for a similar value Council owned property
- An enhanced equity loan offer which tackles concerns about affordability
- The opportunity for family members to buy out the outstanding balance of the Council's equity loan within a 12 month 'grace' period
- Clear 'dispute resolution process' should there be a difference in valuations of a leasehold property, with an additional process through a 'single joint expert' to assist parties in reaching agreement
- Repayment of 'Decent Homes' costs where the leaseholder had not benefitted from the full life of the improvement works; also a commitment of the 2014 Leaseholder Guide
- 6.26. These enhancements are a combination of previous commitments by the Council, such as the leaseholder swap and decent homes reimbursement, while other measures have been the result of work with the leaseholders in seeking solutions which provide choice, affordability and fairness, such as the enhanced equity loan arrangements, single joint expert route and 'grace' period for family members.

## Leasehold Swap

6.27. The leasehold swap option will be limited by a very small number of properties available of the appropriate size, value and location but where the Council can identify an available property, this provides an alternative choice. Properties would need to be of equivalent value (allowing for reasonable variation) and of the same size or smaller.

### Enhanced Equity Loan

6.28. The proposed equity loan offer to resident leaseholders is aimed at ensuring that they can acquire an affordable home on the High Road West Scheme. For eligibility for the offer resident leaseholders should contribute the full market value of their current home (including home loss payment) to the cost of their new home. Where this can not be achieved a financial assessment will take place to determine the amount of equity the leaseholder can afford but must be a minimum of 25% of the value of the new property. This increase in the maximum available equity loan for residents provides additional affordability for current resident leaseholders for the properties on the High Road West Scheme. The value of the Council's equity share will be realised at the point the property changes in hands, required of the leaseholder through a charge on the lease requiring the payment of the share.

# 12-month grace period for succession of the property

6.29. This enhancement allows the leaseholder's adult children or other relative to have a 12 month grace period to make a decision as to whether to pay off the Council's equity loan and continue to live in the property, or sell the property and use the proceeds to move elsewhere. This responds to concerns related to the adult children being forced to sell the property and losing their home



immediately after the leaseholder's death, and provides a period of time to consider their options properly and to investigate obtaining a mortgage.

### Dispute Resolution Process

- 6.30. Although many residents will reach agreement with the Council regarding the value of their property, there will be occasions where a mutually agreeable price is not reached. The Council has committed to ensuring that there is an effective and fair system in addressing this situation.
- 6.31. The system process is for an expert surveyor with appropriate experience in compulsory purchase valuation cases to be jointly appointed by agreement of the parties. The process is voluntary, confidential and non-binding. The Council will cover the costs of the jointly appointed expert and also the reasonable costs for the resident to be professionally represented through this process.
- 6.32. If the leaseholder remains unsatisfied they would be entitled to a statutory appeal to the Upper Tier Tribunal (Lands Chamber).

## **Decent Homes Reimbursement**

6.33. Leaseholders are required to pay towards repairs and maintenance as part of the upkeep of their block. The delivery of the High Road West Scheme will mean that residents would have paid some of these contributions without getting the full life of the works undertaken. Whilst reimbursements for Decent Homes work are not included within the ERRPP, Love Lane leaseholders will be able to claim for compensation for Decent Homes work which was carried out before the Council's Cabinet agreed the High Road West masterplan in December 2014 and is not captured in the valuation of the property. The compensation will be calculated pro rata by the expected lifetime of the Decent Homes works: for example if leaseholders paid £18,000 for new windows which were expected to last 30 years, but the leaseholder only had the enjoyment of the windows for 10 years they will be compensated for the 20 year loss, i.e. £12,000 compensation would be due.

### Definition of resident and non resident leaseholder

- 6.34. The definition of resident leaseholder in the proposed Love Lane Leaseholder Offer is more restrictive that that in the ERRPP.
- 6.35. The proposed Love Lane Leaseholder Offer aligns with the Leaseholder Guide, which stated that leaseholders had to be living in their home since 16th December 2014 to qualify as a resident leaseholder. The ERRPP however defines a resident leaseholder as a leaseholder who has lived in the dwelling, or a substantial part of it, as their only or main residence, for a period of not less than one year ending with the day they have to move out.
- 6.36. If the ERRPP definition were adopted for this scheme, there would be a significant risk that speculative buy-to-let landlords could move into their property a year prior to vacant possession being required, in order to secure the enhanced offer for resident leaseholders (such as the equity loan product). This is a particular risk given the long period of time that the High Road West



scheme has been under development and is likely to create a substantial additional cost for the scheme and the HRA. This could reduce the Council's ability to make enhanced offers to those leaseholders and other residents who are living on an estate at the time the decision to proceed with a scheme is made. Further, the overall aim of the ERRPP is to ensure that the existing local community could be kept together, not to allow buy-to-let landlords to profit from the enhanced leasehold offer at the expense of local residents.

- 6.37. The above is of particular concern for this scheme. All leaseholders on the Love Lane Estate have known since December 2014 that it is likely that the estate will be demolished. Whilst the Council secured a development partner in 2017, it still may be a number of years before the estate is fully demolished.
- 6.38. The difference between the ERRPP definition and that in the proposed Love Lane Leaseholder Offer will be fully explained to leaseholders in the proposed consultation.

## **Landlord Offer**

- 6.39. The ballot will be the opportunity for residents living on the estate to decide on whether the scheme should progress and is supported by a "Landlord Offer", which contains the Council's offer to the residents. This includes the following:
  - a) The broad vision, priorities and objectives for the estate regeneration, including information on:
    - Design principles of the proposed estate regeneration.
    - Estimated overall number of new homes.
    - Future tenure mix.
    - Proposed associated social infrastructure.
  - b) Details of the offer for tenants and leaseholders and freeholders of homes that are to be demolished.
  - c) Commitments relating to ongoing open and transparent consultation and engagement.
- 6.40. The Landlord Offer will include the offers to residents in the finalised Local Lettings Plan and Leaseholder Offer as well as other benefits such as any detailed terms for non-secure tenants in temporary accommodation.
- 6.41. The Council will ensure that it provides residents with the principles related to the phasing of the Scheme. The Council is committed to minimising disruption for residents and will therefore aim to ensure that the phasing principles seek to maximise the number of residents who move once, from their current home to their new home. This may not always be possible; where it is necessary for the scheme to include residents moving more than once, we will aim to minimise the number of residents affected and work with those residents to ensure they are provided with a temporary home which is appropriate for their needs.
- 6.42. The Landlord Offer will also include information concerning the ballot including the question, timings, role of the Independent Body and contact details.

### <u>Timetable</u>



- 6.43. Following the Council concluding the discussions with relevant parties in order to achieve a viable scheme, the proposed consultation period would be a minimum of six weeks. This is in accordance with the March 2018 Cabinet report recommendations as indicated above and would ensure sufficient time for residents to provide feedback.
- 6.44. Subject to approval of the recommendations in this Cabinet report, it is expected the following steps would take place at the following times.

Date	Action
10 <sup>th</sup> March 2020	Cabinet approval to go to consultation
March to May	Develop consultation material
Early May	Approval of final consultation materials in accordance with the recommendation referred to in paragraph 3.1(iv) above (pre-election period and Mayor/London Assembly elections complete)
May – June	Consultation
July	Cabinet approves Landlord Offer and agrees to progress to ballot
Sept / October	Ballot

# 7. Contribution to strategic outcomes

- 7.1. The delivery of the High Road West Scheme will support the Council in delivering its corporate priorities, as well as supporting the progression of objectives in the London Plan to support regional growth in North London.
- 7.2. The regeneration at High Road West will help to enhance the area in relation to the following four priorities set out in the Council's Borough Plan (2019-2023):
  - Priority 1 Housing "A safe, stable and affordable home for everyone, whatever their circumstances"
  - Priority 2 People "Strong families, strong networks and strong communities nurture all residents to live well and achieve their potential"
  - Priority 3 Place "A place with strong, resilient and connected communities where people can lead active and healthy lives in an environment that is safe, clean and green"
  - Priority 4 Economy "A growing economy which provides opportunities for all our residents and supports our businesses to thrive"
- 7.3. The Leasehold Offer and Local Lettings Policy are particularly relevant to priority one as they allows residents who wish to remain in the High Road West area to do so, thus supporting communities who wish to stay together to do so.
- 8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

#### **Finance**



- 8.1. The HRW Local Lettings Policy and Love Lane Leaseholder Offer being proposed for consultation differs from the baseline set out in the ERRPP.
- 8.2. There is no legislative requirement to offer non-secure tenants secure tenancy in the new homes but the Local Lettings Policy can be used to achieve this in order to support a strong and sustainable community.
- 8.3. The cost implications of compensation for essential relocation cost to nonsecure tenants will be assessed subject to the outcome of the engagement with non-secure tenants. These costs will be attributed to the High Road West Scheme and will be accommodated into the overall viability of the scheme.
- 8.4. The proposed enhanced equity loan offer to resident leaseholders is subject to leaseholders contributing the full market value of their current home (including home loss payment) to the cost of their new home.
- 8.5. The value of the Council's equity share will be realised at the point the property changes hands, and will be secured through a charge on the property.
- 8.6. There is provision in the HRW revenue budget for the costs of the consultation and use of independent financial advisor during the consultation process.

# **Procurement**

8.7. There are no procurement comments required for this report.

#### Legal

- 8.8. The Assistant Director Corporate Governance has been consulted in the preparation of this report and comments as follows:
- 8.9. As stated in the body of the report, Cabinet agreed the Leaseholder Guide on 16th December 2014 and adopted the ERRPP in its current form on 17 October 2017. The Policy complied with statutory requirements and entitlements, and followed DCLG (now MHCLG) guidance and the Mayor of London's Good Practice Guide; which are not further detailed here.
- 8.10. The ERRPP envisaged that offers would be brought forward for individual regeneration schemes taking into account the circumstances of each such scheme. It provided what it described as a guaranteed minimum offer, and a clear set of commitments to ensure all existing residents benefit from estate renewal in Haringey. It further provided that enhanced offers could be made where this could be accommodated and it was appropriate to do so, subject to Cabinet decision. It did however, caution that offers that are overly generous to one group of residents should be avoided where it imposes an unacceptable cost on, or reduces the quality of the scheme for other groups of residents.
- 8.11. Notwithstanding the guarantees given in the ERRPP, it is nevertheless open to the Council to depart from its announced policy if it does so fairly and for good reason. In consulting on any such proposal, it must make clear that that is what is doing, and clearly explain the reasons why it is doing so to permit intelligent



- consideration and responses by consultees, following which those responses must be conscientiously taken into account.
- 8.12. The enhancements to the ERRPP within the Leaseholder Offer are set out in the body of this report.
- 8.13. The proposed more restrictive definition of "resident leaseholder" for the purposes of the Offer clearly departs from the ERRPP.
- 8.14. Residents may have a legitimate expectation that the Council will consult on significant changes to the Leaseholder Offer, which is reinforced by the Council's proposal to apply a definition of resident leaseholder differing from that set out in the ERRPP.
- 8.15. The Allocations Policy provides that:
  - "All Local Lettings Policies will be subject to consultation with affected parties and will be supported by an Equalities Impact Assessment."
- 8.16. Affected parties in this case include both the secure and non-secure tenants on the Estate, and also all applicants on the Housing Register. This latter is because the LLP ring-fences a proportion of the homes built for secure tenancy for offer to those on the Estate, who may well under the Allocations Policy alone have less priority than others on the Register.
- 8.17. Members are reminded that the Moseley principles of consultation require that the Council must consult at the formative stage of policy, give sufficient reasons for any proposal, and time, to permit intelligent consideration and response, and the product of consultation must be conscientiously taken into account in finalising any proposals.
- 8.18. In approving proposals after consultation, the Council must have regard to the full EQIA and ensure compliance with its Public Sector Equality Duty under section 149 of the Equality Act 2010.

#### **Equality**

- 8.19. 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.
- 8.20. 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.



- 8.21. The proposed decision is to consult on the draft High Road West Local Lettings Policy, the draft Love Lane Estate Leaseholder Offer, and to engage with residents on further aspects of the offer to non-secure tenants in temporary accommodation on the Love Lane Estate and elsewhere within the masterplan area. It follows that those affected by the proposed decision will be the residents of the Love Lane Estate or elsewhere within the masterplan area and applicants on the Housing Register who might otherwise qualify for an allocation of a secure tenancy within the scheme.
- 8.22. The Love Lane Estate sits within Northumberland Park ward and it is important to understand the profile of the residents of the local area in order to be able to understand how the proposed decision relates to the Council's public sector equality duty and to ensure that inequalities can be addressed both during the consultation process and through the possible implementation of any scheme.
  - The percentages of men and women in Northumberland park reflect the Haringey and national averages
  - 92% of lone parent households in Northumberland Park are led by women and 8% are led by men.
  - Northumberland Park is home to a higher proportion of 0-19 year olds than the Haringey average and a lower proportion of older people
  - Northumberland Park has proportionately more residents who have impairments that impact on their ability to do day-to-day tasks than the Haringey average. This includes physical impairments, sensory impairments, mental health conditions, and learning disabilities
  - Northumberland Park has a lower proportion of residents who define themselves as White British compared to Haringey, London, and the UK. There are significant Eastern European, Turkish, Black African, Caribbean, and Black British communities in the ward
  - Northumberland Park has a higher proportion of Christians and Muslims than the Haringey and London averages
  - Northumberland Park has a higher proportion of children under the age of 1 than the Haringey average, indicating a likely higher number of pregnant women in the ward
- 8.23. The consultation on the draft policy and draft offers will take account of the profile of the local area and the access needs of local residents in order to be fully inclusive and enable all affected residents to participate if they wish to. Reasonable adjustments will be made for residents who may experience barriers to participation, including but not limited to ensuring that translations and large-print versions of any materials are available on request and ensuring that any residents with limited mobility are able to access and return consultation materials.
- 8.24. It is notable that the proposals that are subject to consultation have been informed by consultation and engagement with affected groups. This engagement and the proposed consultation represent steps to acquire sufficient information in order to enable Cabinet to make an evidence-based decision.
- 8.25. An EqIA is in development, which will assess the impacts of the draft Local Lettings Policy (Appendix 3), the Leaseholder Offer (Appendix 4), and the offer



to non-secure tenants in temporary accommodation on affected persons with protected characteristics. The potential impacts of the scheme that is proposed following the consultation will be subject to detailed analysis. The EqIA will include consideration of the findings of the consultations undertaken to date with residents of the estate, noted in this report. Cabinet will be advised to consider the conclusions of the EqIA before making a further decision on the High Road West scheme.

8.26. The baseline for the enhanced offer is proved by the Council's Estate Renewal, Rehousing and Payment Policy (ERRPP). A full EqIA was developed for this policy and published with the decision. The policy and the EqIA are both available on the Haringey Council website.

# 9. Use of Appendices

- Appendix 1: Draft High Road West Local Lettings Policy
- Appendix 2: Draft Love Lane Leaseholder Offer
- Appendix 3: Draft High Road West Local Lettings Policy EqIA
- Appendix 4: Draft Love Lane Leaseholder Offer EqIA

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

High Road West Cabinet Papers:

- 8<sup>th</sup> March 2018 Cabinet Report- High Road West Regeneration Scheme approval of the next steps for the Love Lane Leaseholder Offer and for delegated authority to agree all valuation and compensation packages for the land interests due to be acquired (link)
- 12<sup>th</sup> September 2017 Cabinet Report- High Road West Regeneration Scheme appointment of a preferred bidder and next steps (link)
- 13<sup>th</sup> September 2016 Cabinet Report- Tottenham Housing Zone Phase 2- North Tottenham (link)
- 15<sup>th</sup> December 2015 Cabinet Report- High Road West Regeneration Scheme Update and Next Steps (link)
- 20th January 2015 Cabinet Report Site Acquisitions Fund approval for decisions under Delegated Authority (link)
- 16<sup>th</sup> December 2014 Cabinet Report- High Road West Regeneration Scheme-Masterplan and Next Steps (link)
- 15<sup>th</sup> July 2014 Cabinet Report- High Road West Regeneration Scheme Consultation. (link)
- 28<sup>th</sup> November 2013- High Road West Regeneration Project Master Plan Option Consultation Feedback and Next Steps. (link)

# Housing and Estate Renewal, Rehousing and Payments Policy Cabinet Papers:

 17 October 2017, Revised Estate Renewal Rehousing and Payments Policy following consultation (<u>link</u>) [to note, paragraph 6.25 of this report and 3.2 of the Estate Renewal Rehousing and Payments Policy provide further details regarding the Discretionary Panel]



<ul> <li>12 July 2016 - Estate Renewal, Rehousing and Payments Policy – Final policy for adoption (<u>link</u>)</li> </ul>	