

Report for: Cabinet, 12 July 2016

Item number: 9

Title: Estate Renewal, Rehousing and Payments Policy – Final policy for adoption

Report authorised by : Lyn Garner, Director of Regeneration, Planning and Development

Lead Officer: Mustafa Ibrahim, Head of Housing Commissioning, Sites and Investment

Ward(s) affected: All

Report for Key/

Non Key Decision: Key

1. Describe the issue under consideration

1.1 In June 2015, Cabinet authorised consultation with stakeholders on the draft Estate Renewal, Rehousing & Payments Policy. This report sets out the results of the consultation exercise that has been carried out, which focused particularly on the views of tenants, leaseholders and freeholders on the draft policy. As a result of consultation a number of changes to the policy are recommended, and approval is sought for the final policy set out in appendix 2.

2. Cabinet Member Introduction

2.1 The Council's estate renewal programme is a key component in the delivery of our Corporate Plan priority to create homes and communities where people choose to live and are able to thrive, and in the implementation of our new Housing Strategy for the borough. We have ambitious targets for the supply of new affordable homes and for improving the quality of existing homes in the borough. When dealing with estate renewal, we recognise that some disruption and distress may be caused and this policy sets out our approach to minimising this and dealing with affected residents fairly and consistently.

2.2 The principles of this policy reflect that we are determined to put residents at the heart of our estate renewal programme. Residents will be fully engaged in the process from an early stage, their statutory rights will be safeguarded and they will be supported by independent advisors. Tenants will have the opportunity to bid for new homes and all residents who may need to move as a result of an estate renewal scheme will be well-informed about the rehousing commitments and financial compensation available to them. We are aiming to make estate renewal a positive experience for as many residents as possible, not only providing new homes but also improving neighbourhoods and boosting opportunity and life chances for as many residents as possible.

2.3 We have conducted an extensive and lively consultation campaign with residents and in particular engaged with those most likely to be directly affected

by the policy. The report shows that as a result of consultation, in some cases we have decided that amendments to the draft policy were required, while in others, it sets out the reasons why we have not made changes suggested by residents to the policy. The final policy is one which I believe is fair, balanced and reasonable and marks a positive way forward for future estate renewal schemes.

3. Recommendations

It is recommended that Cabinet:

- 3.1 Notes the responses to the consultation with tenants, leaseholders and freeholders on the proposed Estate Renewal Rehousing and Payments Policy.
- 3.2 Approves for immediate adoption the Estate Renewal, Rehousing and Payments Policy set out in appendix 2, as amended in the light of consultation and having considered the Equalities Impact Assessment.
- 3.3 Delegates authority to the Director of Regeneration, Planning and Development to make any minor changes to the Policy that may be required as a result of legislative change.

4. Reasons for decision

- 4.1 A decision to adopt the Estate Renewal, Rehousing and Payments Policy is required to ensure that the Council applies a consistent policy across the whole borough for all estate renewal schemes. This will ensure that tenants and leaseholders will have a clear understanding of what they may expect if an estate renewal scheme is proposed for their estate and also ensure that tenants and leaseholders are treated fairly and consistently, wherever they live and whenever the scheme starts.
- 4.2 A delegation to the Director of Regeneration, Planning & Development to make minor amendments to the policy is required. The policy includes statutory provisions that will need to be maintained in line with any legislative changes, which may include matters arising from the Housing and Planning Act.

5. Alternative options considered

- 5.1 The alternative options of developing an estate renewal rehousing policy only or a set of procedures for staff covering the issues in appendix 2 were considered. It was concluded that it was important to bring together all the policies relevant to rehousing and compensating residents in one document, rather than just cover rehousing matters. Also, a set of procedures would not best represent a statement by the Council of its commitments to affected residents, which is an important objective of the proposed policy.
- 5.2 In developing the proposed policy, alternative approaches to how the policy should be applied to individual estate renewal schemes were considered. Broadly, 3 approaches were considered:
 - (a) Apply the statutory entitlements and relevant existing policy commitments across all schemes;

- (b) Consider the rehousing and payment commitments to residents on a scheme by scheme basis;
- (c) Apply (a) above, but consider additional discretionary entitlements on a scheme by scheme basis.

- 5.3 The approach set out in paragraph 5.2(a) above has been broadly adopted within the policy at appendix 2, as this provides consistency across different schemes and amongst residents from different areas. It also provides a better balance between meeting the rehousing needs of residents affected by estate renewal and other households on the Housing Register. It should be noted that the proposed policy provides consistency in key areas, such as rehousing and compensation for tenants. However, the proposed policy does provide for flexibility on a scheme by scheme basis, when dealing with the right of residents to return to the same estate, options for leaseholders and the provision when appropriate of local lettings plans.
- 5.4 Option (b) was rejected, because it was felt that it was important to ensure that as far as possible residents everywhere were treated consistently. Option (c) was rejected, because additional discretionary housing and payments would have a detrimental effect on remaining tenants who are not subject to estate renewal.

6. Background information

- 6.1 In June 2015, Cabinet considered a report which proposed a draft Estate Renewal, Rehousing and Payments Policy. The proposed policy was approved for consultation. This policy aims to provide a consistent borough-wide approach to the rehousing and payment offer made by the Council to all households required to move as a result of estate renewal schemes. The policy applies to all estate renewal schemes, where 10 or more units are being demolished or redeveloped.
- 6.2 The Land Compensation Act 1973 sets out what the Council is obliged to pay to tenants and home owners who are displaced by redevelopment. The policy covers in one document all the relevant statutory provisions (e.g. in respect of Home Loss and Disturbance Payments) and refers to relevant existing Council policies (e.g. the Allocations Policy 2015). This aims to facilitate the Council's estate renewal programme by more effectively rehousing and compensating residents who are required to move to provide vacant possession for development works to take place.
- 6.3 On 16 December 2014, Cabinet approved the proposed estate renewal scheme at High Road West. During the course of the implementation of this scheme, a range of issues relating to the rehousing of tenants and leaseholders were considered and a policy developed. This made some specific provisions for that scheme that are currently being implemented, but are limited to that scheme. Although this experience has been taken into account in the development of the proposed borough-wide policy, the approach taken balances core consistent principles with discretionary elements that will be determined scheme by scheme. This experience at High Road West has enabled the Council to consider the best approach in the future that strikes the right balance between residents who have the benefit of regeneration, and

those tenants where no such proposals are being brought forward. Therefore there are differences in the final policy for adoption and the measures provided for High Road West, the first regeneration scheme. The specific differences are set out as part of the response to consultation in appendix 1.

6.4 The Estate Renewal, Rehousing & Payments Policy reflects some core principles:

- Estate renewal can only be undertaken where there is support for change and consensus will need to be built as far as possible by fully involving residents in the development of any proposals.
- Full consultation will be undertaken with residents on estates where renewal is being considered and normally, an Independent Leaseholder and Tenant Advisor will be appointed to ensure residents can participate meaningfully.
- Rehousing will be in accordance with the council's Allocations Scheme and the priority afforded to households currently on the Housing Register.
- Tenants will be able to bid for homes under the choice based lettings scheme
- Residents will be put in the best possible position to secure homes on the new estate, even if the right of return cannot be guaranteed
- Residents' statutory entitlements to compensation will apply in full and no residents should be financially worse off as a result of estate renewal.

6.5 Discretion will be exercised on a scheme by scheme basis for the following:

- Arrangements for the right of residents to return to the same estate;
- Options for leaseholders; and,
- Provision when appropriate of local lettings plans.

How this discretion is exercised will be subject to extensive scheme by scheme consultation with residents. The aim in all cases will be to put the tenants and leaseholders in the best possible position of being able to secure replacement homes in the new scheme, stay with their existing communities if they choose to do so and ensure that they are financially not worse off.

6.6 The extent to which discretion can be applied will depend on scheme parameters for cost and design, as each scheme will need to aim to be self-funding - there are no additional available resources at this time, and it is likely that this will be an increasing challenge. When the scheme design has been agreed and costed, it may be possible to provide a right of return for example in schemes where it is possible to build sufficient numbers of affordable units of the right size in the same location. However, where the costs of the scheme cannot be met, then additional units for sale may need to be considered, which will reduce the available number of units for rent of the size required by the population on the estate.

6.7 The same consideration will have to be applied to the number of shared ownership or equity units available for leaseholders in the development of the scheme. Although best endeavours will be made to provide a home ownership unit in the same location for existing leaseholders on the estate, it may be the case that this cannot be guaranteed. In practice, this is rarely a problem either

for leaseholders or tenants, because there are usually sufficient numbers of both, who wish to move away from the area, as part of the process.

Consultation on the Draft Policy

- 6.8 This proposed policy has been the subject of extensive discussion and formal consultation with stakeholders and in particular potentially affected tenants, leaseholders and freeholders and their advisors. The formal consultation on the draft policy started on 17th November 2015 and closed on 14th February 2016.
- 6.9 A consultation leaflet summarising the proposed policy was drafted and a questionnaire developed, asking both general and specific questions on the subjects of the proposed policy. These were distributed and made available on the Council's website.
- 6.10 The questionnaires completed both on paper and online are an important part of the consultation. In addition officers attended eight consultation meetings and it proved extremely helpful to have the opportunity of discussing the proposals with tenants, face to face at a range of meetings. There were two borough wide meetings – one for tenants, and one for leaseholders. In addition, those estates already identified as estates that might be the subject of estate renewal were targeted for specific meetings, so that tenants and residents most likely to be affected by the proposals would have the opportunity of commenting on the proposals. These estates have established Resident Steering Groups (RSG), typically consisting of 6-10 residents per estate. RSG meetings are not usually public although Park Grove/Durnsford Rd residents opted for a public meeting as part of this consultation. Meetings took place as follows:

Date	Meeting	Numbers in attendance
19/11/15	Turner Avenue and Brunel Walk Residents Steering Group meeting (not public)	6
1/12/15	Borough wide Tenants Panel. Invitations sent to all tenants who have expressed an interest in being involved (800 invitations sent by email and mail)	25
9/12/15	Borough wide Leaseholder Panel. Invitations were sent to 200 leaseholders by email and mail.	23
15/12/15	Tunnel Gardens and Blake Road Residents Steering Group meeting (not public)	10
16/12/15	Park Grove and Durnsford Road Residents Steering Group meeting (public meeting)	18
14/1/16	Love Lane Residents Association meeting	5
25/1/16	Northumberland Avenue Residents Association Executive Committee Meeting	9
9/2/16	Imperial Wharf Residents Steering Group meeting (not public)	5

- 6.11 Articles were also placed in newsletters targeted at those estates most likely to be affected by future estate renewal plans - Park Grove/Durnsford Road,

Tunnel Gardens/Blake Road, Leabank View/Lemsford Close, Reynardson Court, Woodside Avenue, Northumberland Park, Turner Avenue/Brunel Walk and Imperial Wharf. These estates were given additional opportunities to comment on the policy as they had been identified in various previous decisions as estates where estate renewal may occur in the future.

- 6.12 In total 96 written responses were received to the consultation. 53 responses were in the form of the questionnaire provided (12 online and 41 paper) and 43 responses were received via e-mail, without the completion of the questionnaire. In addition, a range of issues have been raised through the public meetings. An analysis of the demography and views of the respondents is set out in summary form in appendix 1.

Policy Changes Arising from Consultation

- 6.13 A number of changes to the draft policy are proposed in the light of comments received, as follows:

- (a) A number of respondents stated that in general the proposed policy did not sufficiently acknowledge the major disruption that estate renewal brought, and the distress it caused. This has been reflected better in the new draft, specifically in paragraph 1.2.
- (b) Many respondents were concerned about the type of tenancy that they will be offered, when they are obliged to move. It is clear in the policy that if a tenant is obliged to move to suitable alternative accommodation as a result of a court order, then the tenure of the alternative accommodation must be considered when determining suitability. However, if the provider of alternative homes is not the Council, then it is not possible for these homes to be on secure tenancies, as only a local authority landlord can offer secure tenancies. If a tenant bids for an alternative home with a housing association, then that home will be on a tenancy of the type that the association offers under its own policies. If the provider of the replacement homes is the Haringey Development Vehicle (HDV), then the Council will seek to match the tenure and rent level that the tenant currently has, but this is dependent on negotiations with the HDV partner which have not been concluded. This has been made explicit in the new draft policy in paragraphs 7.29 and 7.30.
- (c) As a result of recent legislation, the council will have to offer fixed term tenancies to its new tenants. The new draft clarifies that the security of tenure that is offered will match the security of tenure that the tenant currently has, whether it is a lifetime or a fixed term tenancy.
- (d) Many respondents expressed concern about the level of rent and service charges that they would be obliged to pay in their new homes. Some asked that guarantees are provided that rents will not rise, and service charges will cost no more than in their current homes. Whilst it is not possible to give a guarantee on rent levels, as these are governed to a large extent by national government policy, it is possible to express a commitment to keeping rents affordable and this has been done in the new draft, paragraph 7.30.

- (e) Similarly, with service charges, service charges on Council properties are set on a cost recovery basis and it would not be possible to set them higher than this. If Council service charges are set lower than the cost of the service, then the costs have to be met through the overall Housing Revenue Account, which is funded by rents and service charges received from all Council tenants. It is proposed in the final policy that there is a commitment made to minimising Council service charges through design; and also to consulting on any new services that are introduced, for which a charge will be made. The service charges applied to housing association tenancies are set by the individual housing association and are not controlled by the Council. This is set out in paragraph 7.31 of the policy.
- (f) Some respondents expressed concern about the absence of a minimum period for bidding under the Choice Based Lettings scheme the council operates, prior to a 'direct offer' being made under the policy. The proposed policy stipulated that tenants could bid freely under Choice Based Lettings, in Band A, up to a date 12 months prior to demolition, after which they would be made one suitable 'direct offer' of accommodation. However, this means that tenants would not know how long they would be able to bid freely under Choice Based Lettings, before this "bidding window" closed and they would then receive their one 'direct offer'.

It is agreed that this is a potential problem, in that people may bid differently, depending upon how long they think that they have, before they are required to make a forced move. The policy has therefore been amended to introduce a minimum required 'bidding window' of 6 months that will close before the 12 months deadline, prior to the date when the Council requires vacant possession i.e. 18 months overall. Applicants will be able to continue to bid after the 6 months has elapsed until they receive their 'direct offer' of suitable alternative accommodation. This is set out in paragraph 7.24. In response to some consultation comments, the policy has also been amended to allow tenants to opt for only receiving a 'direct offer' rather than bid under Choice Based Lettings. This is set out in paragraph 7.25.

Other Comments

- 6.14 There were a number of other comments made in the consultation exercise where it is not proposed to change the policy. This is because either there was not widespread support for such changes, or because they are considered to have an unfair impact on other groups of tenants, such as those on the Housing Register. In some cases, the comments were seeking guarantees and compensation that would make schemes unaffordable, or impractical. These comments addressed issues such as the request for a guaranteed right of return, to have their adult children housed separately when they were required to move, and that they should be paid higher levels of compensation over and above their statutory entitlement. It is important to note that the policy makes clear that the Council will always offer tenants the right to return, where this is possible on a scheme by scheme basis.
- 6.15 A frequent concern raised by tenants and leaseholders was that the fact that they were being consulted on this policy indicated that the council has firm plans for their estates. This perception goes back to November 2013, when

Cabinet approved consultation with residents of a number of “medium” estates. In 2015, Cabinet approved a procurement process to seek a partner for the Haringey Development Vehicle (HDV), and this decision also involved identifying potential estates for renewal. As a result many respondents were aware of the potential HDV, which if created will be charged with the delivery of projects that may affect them. The proposed policy is intended to apply to estate renewal that the HDV undertakes.

- 6.16 As set out in 6.10 and 6.11 above, some particular estates were targeted for this consultation as it was felt that the views of these residents would be of particular interest. It is clear that regular dialogue with these residents needs to be maintained to ensure that accurate information about the council’s plans and intentions are communicated and resident expectations are informed and realistic. An update on these estates will be provided as part of the Stock Investment and Estate Renewal Plan, which will be brought forward later in 2016.

Conclusion

- 6.17 All the comments and points raised during the consultation exercise are set out in the consultation report which will be published on the Council’s web site.
- 6.18 There has been a good range of responses to the consultation on the proposed Estate Renewal, Rehousing & Payments Policy. It is clear that there is some opposition to estate renewal itself and the Council will need to be sensitive to the feelings and circumstances of residents when bringing forward such proposals. In some cases, this opposition is based on the uncertainty of what will replace the current homes and whether new homes will be similar or better in terms of quality, communities and affordability.
- 6.19 Estate renewal can only be undertaken where there is support for change and consensus will need to be built as far as possible by fully involving residents in the development of any proposals. There is a careful balance to be struck to ensure that the council, which increasingly has to manage with reduced resources to address the quality of homes and estates, adopts an approach to estate renewal that is affordable for the council. The proposed policy is recommended for approval as it provides the right balance of consistency and discretion within an affordable framework, as the basis for working in partnership with residents to achieve better housing in the borough.

7 Contribution to strategic outcomes

- 7.1 Priority 4 of the Corporate Plan includes an objective that states: “Local communities and residents will be involved in shaping all our estate renewal projects.”
- 7.2 Priority 5 of the Corporate Plan states that the Council will “Create homes and communities where people choose to live and are able to thrive.” One of the key objectives is to “drive up the quality of housing for all residents.” This will be achieved by the stated aim: “We will improve some council owned estates by building new, good quality energy efficient and affordable homes for rent and for sale.”

7.3 This policy will support the objective of driving up the quality of housing for all, by putting in place fair and consistent arrangements for tenants, leaseholders and freeholders affected by an estate renewal project.

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

Finance and Procurement

8.1 This report clarifies some of the costs involved with undertaking estate renewal projects as it provides a consistent policy for payments to affected residents. At present no budget exists for the type of payments specified, for example home loss and disturbance payments and the costs of an Independent Tenants and Leaseholder Adviser, with the exception of the ongoing High Road West estate renewal programme where a budget has been identified.

8.2 It is expected that the relevant budget will be agreed for each individual estate renewal project on a scheme by scheme basis. These costs should be built into any master-planning work and viability assessment for each scheme. In most cases the Council would be statutorily obliged to make payments to affected residents and this policy will need to be updated to ensure it remains current as relevant legislation changes.

Comments of the Assistant Director of Corporate Governance and Legal Implications

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

8.4 The Council's resident involvement agreement gives rise to a legitimate expectation that the Council will consult on the discretionary matters included within the Estate Renewal, Rehousing and Payments Policy. In the case of R (Moseley) v Haringey the Supreme Court endorsed the following general principles of consultation:

- That consultation must be at a time when proposals are still at a formative stage;
- That the proposer must give sufficient reasons for any proposal to permit intelligent consideration and response;
- That adequate time must be given for consideration and response; and
- That the product of consultation must be conscientiously taken into account in finalising any proposals.

The consultation in respect of this policy and the consideration of the responses has been conducted in accordance with the Moseley principles.

8.5 Tenants, leaseholders and other occupiers who are being displaced as a result of the Council's estate renewal or regeneration proposals have various statutory rights. Those rights include the rights of secure tenants to be re-housed. The statutory entitlements are set out in the policy at appendix 2.

- 8.6 The version of the policy that went out to consultation proposed that secure tenants having to move as a result of regeneration would be offered lifetime tenancies. However, in December 2015 Parliament made amendments to the Housing and Planning Bill. The amendments proposed that all new secure tenants must be offered fixed term tenancies with an exception for those tenants moving as a result of being offered a replacement tenancy e.g. being forced to move as a result of regeneration. The Bill has received Royal Assent and is enacted as the Housing and Planning Act 2016. Under the Act the old style secure tenancies may only be granted where there is a replacement tenancy and the tenant did not ask to move. All new secure tenancies will have to be fixed for a term of between 2 and 10 years. Further regulations are proposed under the Act and the delegation set out at recommendation 3.3 is therefore required. Some new Council tenants will be on fixed term tenancies by the time that they have to move as a result of regeneration. The policy has therefore been amended to reflect the fact that new tenants on fixed term tenancies who are being rehoused in Council properties as a result of regeneration will only be offered the type of tenure to which they are legally entitled.
- 8.7 In deciding whether to approve the Policy the Cabinet will have to comply with the Council's Public Sector Equality Duty under the Equality Act 2010 taking into account the EqIA at appendix 3.

Equality

- 8.8 An Equalities Impact Assessment (EqIA) has been completed. With regards to the proposed policy, it finds that there are both negative and positive impacts on some of the groups with protected characteristics. Single parent households (which are more likely to be women), households containing an older person, and households containing a disabled person are more likely to find the process of moving, possibly twice, more distressing and difficult than other households. However, experience of managing moves on the High Road West scheme shows that these impacts can be mitigated by one to one work with individuals affected and this approach will be applied to future estate renewal schemes. Where there are negative impacts on groups with protected characteristics rehousing officers will provide dedicated individual support to enable such households to move with minimum disruption. In particular, the council will take action to mitigate the disruptive effect of moving on vulnerable households.
- 8.9 The Tottenham experience was that of the 16 single parent households on the High Road West estate, 9 moved themselves without difficulty. The remainder received assistance such as moving with the Council's nominated contractor, arranging moving dates at weekends (where they were working), referral to furniture assistance schemes and assistance with the disposal of large items. This range of assistance, and further support as required, will be made available on future schemes. This will include, for example:
- Assistance with bidding under the Choice Based Lettings scheme for those residents who need it;
 - Use of occupational therapists to assess the medical needs of any household containing a disabled member; and,

- Where moving involves changes of schools, GPs and health services, or other changes, providing assistance to support effective resettlement.

8.10 The replacement homes arising from estate renewal will be more modern, well designed, energy efficient and adapted to their needs than the current homes they occupy, a positive impact identified in the EqlA.

8.11 In terms of whether groups of such households are more likely to be affected by estate renewal, a separate EqlA will be completed for each project, when specific estates are identified. If those estates have a higher proportion of people with protected characteristics living on them, then this will be identified as part of the EQiA process and appropriate mitigating action identified and implemented, such as the measures set out above.

8.12 Residents have been consulted on the draft policy through a variety of mechanisms, including through a series of meetings held on estates. The consultation sought to gain views from as wide a range of residents as possible, including those that share the protected characteristics. The findings of the consultation are summarised within section 7 of the EqlA and in appendix 1 of this report. A number of changes have been made to the policy to take account of residents views following the consultation. In particular:

- The policy now provides greater reassurance to residents on the levels of rents and service charges they will be charged on new homes
- The policy now emphasises the importance of providing early and accurate information to affected residents
- The policy now clarifies the type of tenancy to be offered when a tenant is required to move
- It has been agreed that additional support will be provided for those who find the Choice Based Lettings process more difficult, an issue which particularly affects elderly residents.

9. Local Government (Access to Information) Act 1985

Background papers

Full consultation report

Housing Investment and Estate Renewal Strategy - Cabinet report 28th

November 2013

10. Appendices

Appendix 1 – Results of the consultation on the draft policy

Appendix 2 – Estate Renewal Rehousing and Payments Policy, as amended

Appendix 3 – Equalities Impact Assessment