

Report for: **Cabinet 20 June 2017**

Item number:


Title: **Leaseholder Policy on Regeneration Sites. (Draft revised Estate Renewal Rehousing and Payments Policy for consultation)**

Report authorised by: **Lyn Garner**

Lead Officer: **Alan Benson**

Ward(s) affected: **All**

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



1. DESCRIBE THE ISSUE UNDER CONSIDERATION

- 1.1. The primary purpose of this report is to set out a clear set of commitments to residents whose properties will be demolished as part of estate renewal and regeneration schemes. It is proposed that this sets a benchmark for the housing options that must be offered on a borough wide basis, by being incorporated within a review of the Estate Renewal Rehousing and Payments Policy (ERRPP), which was approved by Cabinet in July 2016.
- 1.2. This report seeks Cabinet approval to consult on changes to this policy which will:
- clarify the Council's commitments to tenants
 - extend the options for leaseholders beyond the statutory minimums set out in the existing ERRPP
 - extend the commitment to all Haringey Development Vehicle schemes and Housing Association schemes where the Council determines it has a strategic interest
 - respond to the recent publication of guidance on estate regeneration by the Department of Communities and Local Government and the Mayor of London and the issues around the Secretary of State's decisions on the Aylesbury Estate

2. CABINET MEMBER INTRODUCTION

- 2.1. Estate renewal is progressing on schemes across the borough and major future development is now taking shape through the Haringey Development Vehicle. In light of this, and new guidance from Government and the Mayor of London, it is essential that the Council is clear on its commitments to existing residents. This requires a review of the existing Estate Renewal Re-housing and Payments Policy, to leave no doubt that local people will benefit first and foremost from any renewal scheme in Haringey.
- 2.2. In this revised policy, Haringey Council is offering a guaranteed right to return for tenants and resident leaseholders, a commitment to maintain existing terms and conditions for tenants, and a package of options to ensure that leaseholders and freeholders are able to purchase a new home. These commitments will apply to Council renewal schemes as well as to estate renewal undertaken by the Haringey Development Vehicle, and by Housing Associations where Haringey Council has a strategic interest in the scheme. These commitments form a benchmark that goes beyond the current standard for regeneration schemes, but can be extended even further on individual schemes.

- 2.3. However, it is important that these proposals are supported by the local community, in particular by residents in areas that will be undergoing renewal. It is also important that our partners in these schemes have an opportunity to feed into these proposals. The forthcoming consultation will seek to measure support for these proposals and to help shape the commitments.

3. RECOMMENDATIONS

It is RECOMMENDED that the Cabinet:

- 3.1. Approves the draft Estate Renewal Rehousing and Payments Policy (Appendix 1) for consultation and in particular:
- a) The application of this policy to all estate renewal schemes of 50 or more properties led by the Council
 - b) The extension of this policy to schemes led by the Haringey Development Vehicle, and Housing Association schemes where the Council determines that it has a strategic interest
 - c) The commitment to all residents that:
 - No tenant, leaseholder or freeholder will be financially worse off as a result of estate renewal
 - All tenants will have a guaranteed right of return to an appropriate sized home on an equivalent social tenancy at an equivalent rent
 - All tenants who wish to move away will be supported to do so
 - All resident leaseholders and freeholders will have a guaranteed right of return, and will have an offer of a home that is affordable to them, either on an open market, shared equity or shared ownership basis
- 3.2. Notes that the Policy allows for individual regeneration schemes to offer additional options above and beyond those in this Policy where these are viable and appropriate for the scheme.
- 3.3. Approves the setting aside of the Council's revision to its Allocations Policy in April 2017 which restricted of eligibility for social housing on the basis of incomes and savings, where the offer is part of an estate renewal scheme covered by this policy.
- 3.4. Approves the consultation plan set out at paragraphs 6.51-6.54
- 3.5. Notes that, following 3.3 above, a further report will be submitted to the Cabinet which will include a summary of the consultation outcomes, a full Equalities Impact Assessment and a final updated Estate Renewal Rehousing and Payments Policy for approval, in line with the outline timetable set out at 6.54].

4. REASONS FOR DECISION

- 4.1. The reason for recommendation 3.1 is to bring the existing Policy into line new national and regional guidance and to set out within it a clearer offer to all residents on renewal schemes in Haringey.
- 4.2. The reason for recommendation 3.2 is to ensure that while the Policy sets an effective benchmark for all renewal schemes, it does not constrain individual schemes from making additional offers.
- 4.3. The reason for recommendation 3.2 is to ensure that tenants and leaseholders are not restricted from moving or becoming tenants by recent changes to the Allocations scheme; in order to enable a full range of options to be offered.
- 4.4. The reason for recommendation 3.4 is that while there was consultation on the existing ERRPP in 2015/16, the draft revised ERRPP sets out a much clearer and more extensive offer to residents.
- 4.5. The reason for recommendation 3.5 is to ensure Cabinet have sufficient time to consider the outcomes of the consultation and the findings of the EqIA before formally adopting the policy.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1. To retain the existing ERRPP with no change. This was rejected because the current ERRPP is, in effect, no more than a statement of the statutory minimums to which tenants and leaseholders are entitled. It sets out a general aim to achieve the outcomes set out in the draft revised ERRPP, but makes no commitment to these. It leaves any commitments and any additional offers over and above the statutory minimum to be determined on a scheme by scheme basis. This is a legally defensible position but is not one that promotes confidence among residents and as such does little to garner resident support for proposed these estate renewal schemes.
- 5.2. To include all commitments being discussed in some current schemes as the Borough baseline. This was rejected because there are some schemes where the financial viability and the detail of the scheme itself may allow it to make offers over and above those set out in the draft revised ERRPP, such as gifted equity shares or enhanced compensation payments. However setting these as the borough baseline may well render some proposed regeneration schemes unviable, or at a minimum reduce the finding available for the scheme as a whole. As such, this would not be in the wider interests of all residents in the regeneration area.
- 5.3. To apply this new Policy solely to Council renewal schemes. This was rejected because it would exclude the HDV and schemes where the landlord is a Housing Association (eg Wood Green) from the Policy. As the HDV will play a major role in future estate renewal in Haringey it is essential residents have confidence that the commitments in the Policy will be delivered by the HDV. Similarly, while the Council is not the landlord in Wood Green it has a strategic interest in ensuring this renewal scheme is a success and thus ensuring residents have confidence that they will benefit from the scheme.

6. BACKGROUND INFORMATION

Introduction

- 6.1. Priority 5 of Haringey's Corporate Plan is focused on the delivery of new homes to "*Create homes and communities where people choose to live and are able to thrive*". This aim is also a key objective 1 of the Haringey Housing Strategy 2017-2020, where the Council committed to "*Achieve a step change in the number of new homes built*".
- 6.2. The drive for new housing forms part of the Haringey Council's overall ambitions for regeneration and growth. The council's vision for regeneration includes new and improved housing alongside other measures including better local town centres; enterprise, employment and training; transport; health; education; community safety; and environmental improvements.
- 6.3. The Housing Strategy also commits to "*minimise the disruption experienced by those living closest to major development sites and give a high priority to involving affected residents at an early stage, so they are able to influence plans and shape the outcomes*"

The current Estate Renewal Rehousing and Payments Policy

- 6.4. In July 2016, the Cabinet approved the Estate Renewal Rehousing and Payments Policy (ERRPP), which applies to all schemes where 10 or more units are being improved or redeveloped.
- 6.5. The existing ERRPP sets out the statutory disturbance and Home Loss payments for tenants and leaseholders, and details on how to claim. It sets out a general aim that people should be able to return to the regeneration area and a similar general aim about maintaining tenancy terms and conditions. It also set out the statutory minimum offer for leaseholders and freeholders. Any further formal commitments to residents and any additional assistance to residents over and above the statutory minimum were left to be decided by each individual estate renewal scheme.
- 6.6. The ERRPP was subject of extensive discussion and formal consultation with stakeholders, including 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.
- 6.7. A total of 96 written responses were received to the consultation, with contributions from 8 public meetings held throughout the borough. Following consultation, the policy was amended and approved by the Cabinet on 12 July 2016.

Reasons for revising the current ERRPP

- 6.8. The ERRPP focuses primarily on the payments and rehousing options for tenants. But with estate renewal progressing on Love Lane and High Road West and with future development taking shape through the HDV, it is clear that commitments to affected residents need to be clarified and strengthened, particularly for leaseholders and freeholders where the EERP is silent beyond statutory minimums. The draft revised ERRPP sets out much clearer commitments and a full set of options for leaseholders and freeholders.
- 6.9. The proposed development of Wood Green, where the housing landlords are housing association partners, has also raised the issue of whether the ERRPP should be extended to these residents. Where the Council has a clear strategic interest in an estate renewal

scheme, as it does in Wood Green, there is a compelling case to extend the commitments in the ERRPP to those residents and work together with the partner Housing Associations or HDV to deliver this. The draft revised ERRPP allows the Council to extend the commitments in the Policy to renewal schemes where the Council determines it has an interest in doing so.

- 6.10. The Government has also recently published guidance on estate regeneration, as has the Mayor of London in his ‘Draft good practice guide to regeneration’. This latter document identifies a number of key issues, such as the right to return, and is clear that future bids for funding for estate renewal schemes will have to demonstrate that they meet the standards set on those issues. The draft revised ERRPP meets all those standards.
- 6.11. The decision by the Secretary of State to block LB Southwark’s CPO on the Aylesbury Estate also raised significant issues around the payments and rehousing options for residents on estate renewal schemes. Although the Secretary of State has subsequently removed that block, the issues raised with regard to the offer to residents need to be addressed to ensure that and future renewal schemes in LB Haringey are not similarly caught out. As the current position on Aylesbury is understood, the draft revised ERRPP should ensure that this does not happen.

General principles on the right of return and affordability

- 6.12. Haringey Council is committed to ensuring all residents have a right to return when their homes are being demolished as part of a renewal scheme. A range of options will be made available to ensure those who wish to remain in or close to the regeneration area can do so and those who wish to move elsewhere in Haringey are enabled to do so.
- 6.13. Haringey Council is also committed to ensuring that the new homes are affordable to tenants, leaseholders and freeholders and that no resident should be financially worse off as a result of the renewal scheme. But this does not mean that every tenant, leaseholder and freeholder will pay exactly the same housing costs after the move as they did before the move. Some will inevitably pay a little more; some will pay a little less. The policy describes the commitments in more detail but in principle:
 - **For tenants:** The commitment that they will not be financially worse off as a result of the renewal scheme is deemed as being met by the provision of Home Loss and Disturbance payments to cover the costs of moving and by the commitment to an equivalent social rent. The commitment to ensuring that the new home is at an equivalent social rent is met by ensuring that where a tenant is on a social rent, then the new rent will also be a social rent, calculated according to the rent policies of the new social landlord, and not any higher rent that might be charged for an “Affordable Rent” an “Intermediate Rent” or a market rent home.
 - **For resident leaseholders and freeholders:** The commitment that they will not be financially worse off as a result of the renewal scheme is deemed as being met by the provision of Home Loss and Disturbance payments to cover the costs of moving and the commitment to ensuring there is always an offer available to them at a cost no greater than their current housing offer. This offer may be open market purchase, shared equity or shared ownership, either within or outside the regeneration area.
 - **For non-resident leaseholders and freeholders:** The commitment that they will not be financially worse off as a result of the renewal scheme is deemed as being met by the statutory provisions.
- 6.14. The Council will assess each resident’s circumstances individually, and this document sets out the payments and rehousing options available to the majority of residents. However, in

all cases, the overriding aim of this policy is to ensure that no secure or assured tenant and no leaseholder or freeholder on the estate is worse off because of the regeneration and that all will have a right of return. These principles will guide the Council when seeking a solution in circumstances that are not explicitly covered by this Policy, or where it would be inappropriate to apply this Policy. However, while the Council will seek to ensure that residents are no worse off as a result of any regeneration scheme, this Policy does not seek to resolve financial problems or tenancy issues of existing residents where these issues are not caused by the regeneration scheme

Key commitments for tenants

- 6.15. The draft revised ERRPP sets out the following three key commitments:
- 6.16. **No tenant will be financially worse off as a result of estate renewal.** This is delivered by ensuring that all tenants will receive a Home Loss payment, which is compensation for losing their home, and a disturbance payment, which will cover the costs of moving.
- 6.17. **All tenants will have a guaranteed right of return on equivalent terms.** This is delivered by committing to the following:
- That all tenants have a right to return to a replacement home in the new development should they wish to do so. This home will be of an appropriate size for their family, which will mean that some tenants may have new homes that are larger and some smaller than their current home.
 - That all tenants will be offered an equivalent social tenancy, which may be a secure or assured tenancy, depending on their landlord, but one which guarantees the same tenancy conditions as their existing tenancy.
 - That all tenants will have an equivalent social rent. This may not be exactly the same rent as some will move to larger or smaller properties and some social tenants currently have rents above or below the target social rent for their property. But it will in all cases be an equivalent social rent determined by the national rent formula not an 'Affordable Rent' set at up to 80% of market value or other form of rental product.
 - That family members living with them will retain their succession rights.
 - That Council tenants will retain the Right to Buy, although this may not apply for some Housing Association and HDV schemes
- 6.18. **All tenants who wish to move away will be supported to do so.** This is delivered by putting tenants into category A for choice based lettings once a decision has been made to go ahead with the estate renewal scheme, or offering advice and support to those that wish to leave the borough altogether.
- 6.19. The Council's revisions to its Allocations Policy in April 2017 restricted eligibility for social housing on the basis of incomes and savings. These restrictions will not apply to an offer of rehousing for existing social tenants, where this offer is part of an estate renewal scheme covered by this policy.
- 6.20. The Policy sets out more detail on the qualifying criteria and Government regulations that apply to all these commitments.

Key commitments for resident leaseholders and freeholders

- 6.21. The draft revised ERRPP sets out the following three key commitments:
- 6.22. **No resident leaseholder or freeholder will be financially worse off as a result of estate renewal.** This commitment is delivered by ensuring that all tenants will receive the full market value for their home, a Home Loss payment, which is compensation for losing their home, and a disturbance payment, which will cover the costs of moving.

6.23. **All resident leaseholders and freeholders will have a guaranteed right of return.** This is delivered by committing to the following:

- That all leaseholders and freeholders have a right to purchase a replacement home in the new development should they wish to do so.
- For leaseholders or freeholders who can't afford to buy the new home at full market value, but can afford to buy at least 60%, a shared equity offer will be made
- For leaseholders or freeholders who cannot afford to buy 60% but can afford to buy at least 25%, a shared ownership offer will be made
- For leaseholders or freeholders who cannot afford to buy even 25% of a replacement home, the Council will review each household on a case by case basis to provide the most suitable housing offer they can afford, which may include an offer of a social rented home.

6.24. **All resident leaseholders and freeholders tenants who wish to move away will be supported to do so.** This is delivered by committing to the following:

- Providing support and advice to purchase a replacement home elsewhere in the borough if they wish to do so
- For leaseholders or freeholders who cannot afford to buy a replacement home in the borough at full market value, but can afford to buy 60%, a shared equity offer will be made.

6.25. There will be no shared ownership offer outside the regeneration area, and no shared equity offer outside the borough.

6.26. There will also be no right of return, shared equity or shared ownership offer for non-resident leaseholders, who will receive the statutory compensation.

6.27. The Policy sets out more detail on the qualifying criteria and Government regulations that apply to these commitments. However, the shared equity and shared ownership options are explored a bit further below as they are novel elements of the draft revised ERRPP.

The leaseholder and freeholder offer

6.28. The proposed new policy will offer rehousing options to leaseholders and freeholders who have been resident for 12 months prior to the date of eligibility and who do not own any other leasehold or freehold interests. In the options below, these are described as 'eligible leaseholders and freeholders'.

Buying one of the new properties outright

6.29. Leaseholders and freeholders are eligible to buy one of the new properties outright if they are able to raise sufficient finance. They will primarily be their compensation received as a result of the acquisition of their existing property but they are able to choose to put additional capital into the purchase or raise a mortgage if they wish.

6.30. Leaseholders and freeholders choosing this arrangement are, subject to their personal finances, able to buy a property which is larger than the one where they have been living.

Buying a property in a Shared Equity scheme

6.31. The new properties for sale will generally be of a higher value than the existing properties being acquired. Eligible leaseholders and freeholders may however be able to buy one with an equity loan from the landlord (whether Haringey Council, the HDV or the Housing

association) which will enable them to have similar housing costs compared with their existing property.

- 6.32. A shared equity scheme is where the leaseholder owns the whole property but the provider/landlord makes an equity loan for a proportion of its value.
- 6.33. Eligible leaseholders and freeholders must agree to put the full value of their existing property, plus any home loss payment, into the purchase of the new property. The leaseholder's contribution will be made up of:
- The market value of the property being acquired (made up of any equity in the property plus the outstanding mortgage)
 - Any home loss payment (10% of the market value of the property being acquired, subject to statutorily defined limits).
 - Any other capital or savings they may want to put into the purchase.
- 6.34. The leaseholder or freeholder must be able to buy at least 60% of the equity of the property. This is lower than most shared equity schemes currently available through Housing Associations, but the same level as the Government's London Help to Buy scheme. While setting a lower minimum share would enable more leaseholders and freeholders to take up the offer, the lower the minimum share is set the more cash from the renewal scheme would be tied up and therefore the less would be available for investing in the rest of the scheme.
- 6.35. The remaining proportion of the new build property will be funded by an interest free equity loan from the landlord, which will be secured as a charge on the property. There will be no repayments on the equity loan and it only needs to be repaid upon sale of the property. The leaseholder is responsible for repairs, service charges and all other costs associated with the new property.
- 6.36. Any increase or decrease in the value of the property at the point of sale will be apportioned between the leaseholder and the landlord or its appointed agent in line with their original contributions which are calculated as percentages.
- 6.37. The leaseholder is able to increase their share in the new property at any time, however in order to do so a new valuation of the property will need to be obtained so that revised percentage shares can be calculated as between the landlord's equity share and the leaseholder's equity share. This valuation, and any associated administrative costs, will be the responsibility of the leaseholder. The minimum amount by which they can increase their share of the equity at any one time is 10%.
- 6.38. New properties bought under this arrangement cannot have a greater number of bedrooms than the leaseholder or freeholder's existing property being acquired. The leaseholder is responsible for repairs, service charges and all other costs associated with the new property
- 6.39. This offer can be extended to new properties outside the regeneration area, but not outside the borough.

Buying a property in a Shared Ownership scheme

- 6.40. A shared ownership arrangement is where the leaseholder owns only a share of the property, with the provider/landlord owning the remainder of the property. Rent is paid on the part of the property which is not owned by the leaseholder, in addition to any mortgage he or she may have on the share they own.

- 6.41. Eligible leaseholders and freeholders must agree to put the value of their existing property, plus any home loss payment, into the purchase of the new property. As with shared equity, the leaseholder or freeholder's contribution will be made up of:
- The market value of the property being acquired (made up of any equity in the property plus the outstanding mortgage)
 - Any home loss payment (10% of the market value of the property being acquired, subject to statutorily defined limits).
 - Any other capital/savings they may want to put into the purchase.
- 6.42. The leaseholder or freeholder must be able to buy at least 25% of the equity of the property. This is the lowest level for most shared ownership schemes currently available through Housing Associations, and setting it any lower would risk the danger of entering sub-prime lending.
- 6.43. However, the rent (usually 2.5% of the unsold equity) will be significantly reduced to ensure affordability. To ensure equal treatment with the Shared Equity, no rent will be charged on the first 40% of the property - as well as no rent being charged on the share they own.
- 6.44. This offer will be restricted to new properties in the regeneration area on the scheme as it is primarily intended to be a policy intervention to help keep communities together.
- 6.45. New properties bought under this arrangement cannot have a greater number of bedrooms than the leaseholder or freeholder's existing property being acquired. The shared owner is responsible for repairs, service charges and all other costs associated with the new property

Other options for resident leaseholders and freeholders

- 6.46. Resident leaseholders and freeholders who do not own or have a shared in another property and are unable to afford a 25% share in a new property will be considered on a case by case basis,
- 6.47. In some circumstances where eligible leaseholders/freeholders are unable to purchase another property (whether within Haringey or outside) they may be eligible to become a social housing tenant either in the regeneration area or in another part of Haringey. In this case the Council's revisions to its Allocations Policy in April 2017 high restricted eligibility for social housing on the basis of incomes and savings will not apply.
- 6.48. The proposed shared equity and shared ownership options described above represent the minimum offer to eligible leaseholders/ and freeholders. Individual regeneration scheme may wish to offer additional options where these are viable and appropriate for the renewal scheme.
- 6.49. As set out in the existing ERRPP, this policy does not offer compensation payments, rehousing options or a right to return to residents who are not qualifying tenants, leaseholders and freeholders - such private sector tenants, sub-tenants and squatters.

Consultation and timetable

- 6.50. To ensure a good response rate to the consultation, a booklet will be distributed to all Residents Associations in the Borough, setting out the proposals and asking for residents' views through a short questionnaire. This will also be made available on the Council's website, e-mailed to 10,000 residents on the Council's database and advertised through articles in local newspapers.

- 6.51. Tenants, leaseholders and freeholders on estates that may be potentially affected by estate renewal will be specifically targetted. This will include setting up meetings with the resident groups on these estates to present the proposals and record their feedback.
- 6.52. The formal consultation on the draft Estate Renewal, Rehousing and Payments Policy will run from June to end of August 2017. The headline dates for the next stages are as follows:

Date	Action
13 June 2017	Cabinet authority for consultation on revised ERRPP
Jun – Aug 2017	Consultation on changes to ERRPP
Sep – Oct 2017	Review consultation and redraft reports
November 2017	Cabinet considers consultation outcome, full EqIA and final updated ERRPP for approval

7. CONTRIBUTION TO STRATEGIC OUTCOMES

Corporate Plan

- 1.1. Priority 4: Sustainable Housing, Growth and Employment - Drive growth and employment from which everyone can benefit

We will focus growth by prioritising new homes and jobs in Wood Green and particularly in Tottenham, where need and opportunity are greatest, and by bringing some of the borough's key community assets into more active use.

- 1.2. Priority 5: Sustainable Housing Growth and Employment - Create homes and communities where people choose to live and are able to thrive

*Achieve a step change in the number of new homes being built
Drive up the quality of housing for all residents*

Housing Strategy

- 1.3. In November 2016, the Council adopted a new Housing Strategy 2017-2020 with Key Objective 1 set out as "Achieve a step change in the number of new homes built".

- 1.4. Within the strategy, there were specific commitments to regeneration, in particular

- **4.1 Harnessing regeneration and growth to deliver our ambition for housing**
The Council's vision for regeneration includes new and improved housing alongside other measures including better local town centres; enterprise, employment and training; transport; health; education; community safety; and environmental improvements
- **5.1 Maximising the number of new homes**
The Council's Local Plan sets out the council's long term vision for growth and how this can enable a continued supply of housing, including affordable housing
- **5.4 Promoting Estate Renewal**
Carry out estate renewal in accordance with a fair and transparent policy which sets out residents' rights and expectations if they are affected by a renewal project.
- **8.1 Promoting independence, health and wellbeing**
Ensure that our investment in council-owned homes makes an important contribution to the health and wellbeing of council tenants and leaseholders.
- **8.4 Giving residents a stake in growth**
Seek to minimise the disruption experienced by those living closest to major development sites and give a high priority to involving affected residents at an early stage, so they are able to influence plans and shape the outcomes.

8. **STATUTORY OFFICER COMMENTS (CHIEF FINANCE OFFICER (INCLUDING PROCUREMENT) ASSISTANT DIRECTOR OF CORPORATE GOVERNANCE, EQUALITIES)**

FINANCE

8.1. This report seeks cabinet approval of the revised Estate Renewal Rehousing and Payment Policy.

8.2. The core aspects of this document focuses on ensuring that:

- All tenants who are displaced as a result of estate regeneration programme are not financially worse off and guaranteed right of return to an appropriate sized home on an equivalent social tenancy at an equivalent rent.
- All tenants who wish to move away will be supported to do so.
- All resident leaseholders and freeholders will have a guaranteed right of return to a home that is affordable to them, either on an open market, shared equity or shared ownership basis.
- The application of this policy to all schemes led by the Council.
- The extension of this policy to schemes led by Haringey Development Vehicle and Housing Association schemes where the Council determines that it has a strategic interest.

8.3. The payment policy set out in this report is as shown:

Payment	Description/Amount	Available to
Home Loss Payments	Lump sum amount set by the Secretary of State and updated annually. Set at £5,300 from October 2015 Amount equal to 10% of the property value subject to minimum and maximum thresholds set by the Secretary of State and updated annually. Set at minimum of £5,300 and maximum of £53,000 from October 2015	Secure tenants & Assured tenants Resident leaseholders & Resident freeholders
Disturbance Payments	Costs of moving home includes costs such as removal fees, disconnection and reconnection of services, inbuilt furniture etc Claimants can choose a lump sum payment, or to submit receipts for each expense. Current fixed payment levels (as of September 2014): 1 bedroom property - £1,650 2 bedroom property - £2,000 3 bedroom property - £2,400 For all 3 bedroom plus properties £380 will be added to the 3 bedroom figure above (i.e. £2,400) for each additional bedroom.	Secure tenants, Assured tenants, Resident leaseholders & Resident freeholders
Purchase of the Property	Full market value for the property.	All leaseholders & freeholders
Reasonable	Costs for purchasing a new property	All leaseholders &

costs of purchasing a new property	Includes conveyancing costs, stamp duty, solicitor/legal fees etc	freeholders
Basic loss payments	A lump sum payment for basic loss of property Amount is set at 7.5% of the property value, up to a maximum of £75,000.	Non Resident leaseholders

- 8.4. The Policy allows for individual regeneration schemes to offer additional options above and beyond those in this Policy where these are viable and appropriate for the scheme.
- 8.5. It is anticipated that the acquisition cost associated with the purchase of Leaseholder properties will be met from the developers or registered providers, depending on the agreements this may have cashflow implications for the HRA.
- 8.6. Any shared equity and shared ownership scheme offered by the Council as a landlord will be subject to separate consideration as this may require additional HRA resources and therefore have financial implications for the HRA.
- 8.7. There is potential loss of revenue income to the HRA as Leaseholder often contributes to service charges and building maintenance costs.

LEGAL

- 8.8. The Assistant Director of Corporate Governance has been consulted in the preparation of this report and comments as follow:
- 8.9. The council has a duty under section 39 Land Compensation Act 1973 (LCA) to provide persons displaced from residential accommodation in circumstances where there is regeneration (which includes where the land is acquired under a compulsory purchase order) with suitable alternative accommodation if no other accommodation is available to them. Under the Housing Act 1996 where the Council is proposing to re-house tenants, the priority given to them has to be in accordance with the Council's Allocations Policy.
- 8.10. The decision by the Secretary of State of Southwark Council's CPO of the Aylesbury Estate has highlighted the importance of Councils of ensuring that housing options are put to leaseholders and freeholders which provide reasonable and affordable alternatives to alleviate the negative impacts of regeneration and the importance of having housing options that allow them to remain in the area. This revised policy does that in the form of the commitments to leaseholders and freeholders and the offer of housing options including shared equity and shared ownership. DCLG Guidance in the Estates Regeneration National Strategy also stresses the need to set out clear commitments to residents and the housing options available to them. These should be developed in Resident Charters for individual schemes.
- 8.11. Under section 29 of the LCA secure, assured tenants and resident leaseholders/freeholders are entitled to a Home Loss payment when they are displaced, provided that they meet certain criteria. The amount of the payment is set by the Secretary of State by Regulations. In accordance with section 33A of the LCA non resident leaseholders are entitled to a basic loss payment and in addition, under sections 37 and 38 of the LCA tenants and resident leaseholders/freeholders are entitled to disturbance payments to assist with the reasonable expenses of having to move. The Policy sets out the expenses that the Council will pay for.

- 8.12. The Southwark case has also highlighted the need for Equalities Impact Assessments (EQIAs) to address the impacts of regeneration on leaseholders/freeholders and to recognise that those impacts may be different for tenants. In approving the final version of the policy after the 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.
- 8.13. The DCLG Guidance and the Mayor of London's Good Practice Guide to Regeneration also stress the importance of resident engagement and the consultation on this policy is part of that engagement. 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 plan for this policy and the proposed timetable are in accordance with the Mosley principles.

EQUALITY

- 8.14. The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to the need to:
- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
 - 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.
- 8.15. The potential impact of any agreed changes were reviewed in an Equalities Impact Assessment (EqIA) for this policy.
- 8.16. The proposed policy does not set out the case for regeneration or the impact for residents of particular estates, but sets out mitigations to residents who are required to move due to a regeneration scheme.
- 8.17. The policy proposed confirms the right to return to Council tenants and provides options to enable resident leaseholders to purchase a new replacement home on scheme if they wish. The policy also extends the right to return and payments policy to housing association tenants where the Council has a strategic interest in the renewal.
- 8.18. The proposals to change the Estate Renewal Rehousing and Payments Policy will, if adopted, directly affect resident leaseholders and tenants on regeneration estates. Residents with protected characteristics are over-represented on Council estates, and the proposals set out in the policy should mitigate the impact rehousing might have on these groups.

9. **USE OF APPENDICES**

Appendix 1: Draft new Estate Renewal Rehousing and Payments Policy, proposed for consultation

10. **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

Cabinet December 2014

<http://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=118&MId=7188&Ver=4>

Cabinet July 2016

<http://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=118&MId=7844&Ver=4>

Housing Allocations Policy 2015 as amended March 2017

<http://www.haringey.gov.uk/housing/housing-strategies-policies-and-plans/housing-allocations-policy#revised2017>

11. **Supporting documents**

Department for Communities and Local Government: 'Estate Regeneration National Strategy' published December 2016

<https://www.gov.uk/guidance/estate-regeneration-national-strategy>

Greater London Authority: 'Draft Good Practice Guide to estate Regeneration' published December 2016

<https://www.london.gov.uk/what-we-do/housing-and-land/improving-quality/good-practice-guide-estate-regeneration>

Statutory Instrument - 2016 No. 789 ACQUISITION OF LAND, ENGLAND Compensation

http://www.legislation.gov.uk/uksi/2016/789/pdfs/uksi_20160789_en.pdf