

COMMITMENT TO RESIDENT INVOLVEMENT

The Council is committed to ensuring that there is the least possible disturbance to residents who are required to move from their homes.

For tenants:

- Support will be available for those in who need that support to organise the move.
- Tenants required to move will be consulted on the new scheme as it evolves and will be given priority to return to new housing that meets their needs provided there is sufficient new accommodation of the type required available. The Council's Lettings Policy will be used to determine a match between the household and property type and size
- If a tenant does not wish to move back every effort will be made to re-house them in the area of their choice.
- Statutory 'Home Loss Payments' will be made to tenants as will reasonable 'Disturbance Payments' to the expenses involve in moving.

For leaseholders:

- When a leaseholder's property is to be redeveloped, and if they are not able to afford to buy a suitable alternative home on the open market, the Council will offer advice and assistance to secure shared ownership, equity share or another form of intermediate housing option in the city. Where the property is to be refurbished the leaseholder will be able to return to the property.
 - Home Loss Payment and Disturbance Payments are also payable to leaseholders however the legislation is different in respect of Home Loss Payment.
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1.0 Introduction

1.1 This Policy covers situations where City Homes tenants or leaseholders are required to move from their homes due to

- a redevelopment scheme
- a refurbishment scheme

The Council has a separate Policy in respect of the compulsory purchase of properties not in the Council's ownership.

2.0 The Council's Vision Statement and Strategic Objectives

2.1 This Policy fits with the Council's vision and annual statements' extracts of which are set out below.

The Council has a clear vision "to lead a united city, 'One Cambridge - Fair for All', in which economic dynamism and prosperity are combined with social justice and equality".

Housing is prominent feature for "a city which strives to ensure that all local households can secure a suitable, affordable local home, close to jobs and neighbourhood facilities".

Tackling the city's housing crisis and delivering our planning objectives including: working to build new homes with an emphasis on social rent housing; making the most of council-owned land to provide new housing; continuing to provide council housing and investigating ways of building new council housing

3.0 Outcomes

3.1 The Council recognises that the enforced loss of their home is one of the most difficult situations that a tenant or leaseholder can be faced with. With a housing stock of nearly 8500 properties including leasehold accommodation, it is inevitable that from time-to-time schemes will be proposed to redevelop or refurbish older housing that no longer meets current day expectations or is not cost-effective to maintain in a good state of repair. The intention is to strike a balance between mitigating the impact on individuals required to move and securing the longer term benefits from the proposed redevelopment or refurbishment.

3.2 In approving this Policy the Council aims to ensure that when engaging with tenants and leaseholders who are being required to move from their home, the Council's guiding principles for undertaking consultation of openness; accessibility and inclusiveness; and transparency and accountability will apply.

3.3 The Council is committed to ensuring that there is the least possible disturbance to residents who are required to move from their homes.

4.0 Payments to Tenants for Loss of Home

4.1 The Council will make two types of payments to tenants who lose their home

- Home Loss Payment
- Disturbance Payment

4.2 Home Loss Payment to Tenants

This is a payment that the Council must pay by law under the Land Compensation Act 1973. To be eligible, the tenant must have occupied the premises for at least one year. The payment is in recognition of the trauma and disruption of the loss of the home. It is not a payment that is designed to cover the actual costs of moving.

The amount of Home Loss Payment is reviewed periodically. The current payment is £5,800.

4.3 Disturbance Payment to Tenants

Unlike Home Loss Payments, Disturbance Payments are not fixed in law but they are required to be equal to the reasonable expenses of the tenant who is moving.

The Council will pay for or arrange the following

- All removal costs to removal contractors or cost of a van if a tenant moves themselves
- Disconnection and re-connection of cooker
- Lifting and re-fitting curtains and carpets in the new home or the cost of new curtains and carpets if the existing curtains and carpets cannot be re-fitted
- Cost of re-direction of mail and costs associated with moving telephones
- Any costs associated with cancelling a service that a tenant has contracted to pay at their current address

4.4 Home Loss Payments and Disturbance Payments will only become payable once approval has been provided by the Council to proceed with a specific redevelopment or refurbishment scheme. It is at this point too that any Right to Buy application will be halted and any new application declined.

- 4.5 In a situation where it is possible for a tenant or leaseholder to return to a refurbished or redeveloped scheme and they choose to do so, Home Loss Payment will not be payable, but Disturbance Payments to cover both moves will.
- 4.6 This Policy does not apply to tenants who have a final possession order granted to end their tenancy.

5.0 Payments to Leaseholders for Loss of Home

5.1 Home Loss Payment and Disturbance Payments are also payable to leaseholders however the legislation is different in respect of Home Loss Payment.

5.2 Home Loss Payment to Leaseholders

The amount of payment for leaseholders in law is calculated as 10% of the market value of the owner's interest in the property subject to the maximum amount which is currently £58,000. Again, to be eligible the leaseholder must have occupied the premises for at least one year.

5.3 Disturbance Payments to Leaseholders for Loss of Home

The Disturbance Payments will be the same as for tenants shown in paragraph 4.3 above.

5.4 The points covered in 4.4 and 4.5 above will also apply to leaseholders.

5.5 Leaseholders will also retain any financial equity they may have invested in the property.

5.6 Home Loss Payments and Disturbance Payments are not available for leaseholders who do not occupy the property that is the subject of the redevelopment as their primary place of residence.

5.7 The Policy does not apply to any sub-lessees.

6.0 Engagement with Tenants and Leaseholders

6.1 In engaging with tenants and leaseholders who are being required to move from their home, the Council's guiding principles for undertaking consultation of openness; accessibility

and inclusiveness; and transparency and accountability will apply.

- 6.2 **Stage 1 : Rolling Programme** - When a new site that contains existing housing is identified for appraisal for redevelopment the current residents will be advised as soon as possible in the process. It is always difficult to decide when and how best to inform existing residents at this stage. Generally the approach that will be taken is to invite residents to a meeting once an indicative scheme has been drawn up that has been assessed as feasible to develop. In this way, any anxieties amongst current residents are not raised unnecessarily before a proposal has been developed that residents have something 'concrete' to comment on. Residents will be invited to a first meeting by letter at least and the letter will include a named housing officer contact. Letters will be delivered by hand so that there is an opportunity to immediately discuss the redevelopment proposal.
- 6.3 Our aim in involving current residents is not only to explain the reasons why the Council is looking to redevelop their current homes, but also to explore with them their individual circumstances; connections with the local community; and future housing aspirations; and thereby see whether the rehousing needs of residents can best be met elsewhere or by returning to the new scheme, if this is possible.
- 6.4 Local Ward Members will be contacted immediately prior to communication with residents to alert them that they may therefore be approached by local residents and to invite them to the meeting. The Resident Representatives will be contacted in the same way.
- 6.5 **Stage 2 : Scheme Approval** - Once a scheme has been appraised for development and any current residents consulted, a report will be submitted to the Housing Scrutiny Committee and approval will be sought from the Executive Councillor for Housing to an indicative scheme in terms of property number, type and mix that can be progressed for planning approval and a budget for the scheme.
- 6.6 If the site does not have any existing housing immediate neighbours will be written to advise that the site is being considered for new housing in advance of the Committee. The views of existing residents and immediate neighbours will form part of the committee report.

- 6.7 It should be noted that tenants and leaseholders will not be eligible for Home Loss and Disturbance Payments until a specific redevelopment scheme has been approved by Council. The same principle will apply to any proposed refurbishment scheme that will require a tenant or leaseholder to move. A named contact person for further information will be provided to tenants and leaseholders and any comments made will be considered as part of the final report that will be presented to the Council for specific approval to proceed with the scheme.

7.0 Alternative Housing for Tenants

- 7.1 The criteria set out in the Council's Letting Policy will be the basis upon which alternative accommodation is deemed suitable.
- 7.2 Tenants required to move will be given a Band A priority to bid under Home-Link or will have the benefit of a direct let.
- 7.3 Every effort will be made to re-house a tenant in the area of their choice.
- 7.4 Tenants required to move will be given priority to return to suitable alternative accommodation on the redeveloped or refurbished scheme provided there is sufficient new accommodation of the type required available.
- 7.5 Should a tenant be interested in types of tenancy other than for social rent then advice and assistance will be offered to help the tenant secure such a move.

8.0 Alternative Housing for Leaseholders

- 8.1 When a leaseholder's property is to be redeveloped, and if they are not able to afford to buy a suitable alternative home on the open market, the Council will offer advice and assistance to secure shared ownership, equity share or another form of intermediate housing option in the city. Where the property is to be refurbished the leaseholder will be able to return to the property. Annex A provides more detail on the difference between shared ownership and equity share and the principles behind how a leaseholder may be able to move to an alternative Council property and occupy it on an equity share basis.

9.0 Support to Move

9.1 The Council recognises that individual tenants and leaseholders will require different degrees of support to move. In particular the Council will prioritise its assistance to

- Older people
- Tenants with physical and/or learning impairment
- Tenants for whom English is not their first language

The support required will be assessed and negotiated on a case by case basis.

9.2 The type of support to be provided to those tenants and leaseholders who need it are as follows

- Assistance with registering on Home-Link
- Assistance to view alternative accommodation
- Assistance with forms relating to change of address
- Assistance with rearranging care support if applicable
- Where no friends or family are available arranging packing and removals
- Clearance of unwanted items
- Arranging lifting and refitting of carpets and curtains refit

10.0 What happens if tenants and leaseholders do not want to move?

10.1 The Council's aim will be to negotiate alternative accommodation with tenants and leaseholders who are required to move. If it is not possible to agree a move by negotiation the Council has at its disposal legal remedies to require a move. The remedies are different for tenants and leaseholders.

10.2 If agreement cannot be reached with a tenant, the Council is able to serve Notice and seek re-possession of the home through the court. However, to be successful the Council will need to be able to demonstrate that suitable alternative accommodation is available for the tenant to move to.

10.3 If agreement cannot be reached with a leaseholder the Council is able to pursue a compulsory purchase of the property in line with policy.

Annex A

Definitions

This Annex to the policy document defines and contrasts the difference between Shared Ownership and Equity Share.

Shared Ownership – This is where a leaseholder buys a percentage of equity in the property (a ‘share’) and pays rent on the share retained by the owner (usually a social landlord). Shares can start as low as 30%. Usually leaseholders can buy extra shares to ‘staircase’ to buy outright although often schemes limit the maximum share that can be purchased and the owner has the first option to buy the shares back from the leaseholder should they wish to sell.

Equity Share – This where a leaseholder buys a percentage of equity in the property but is not required to pay rent on the remainder. Here leaseholders often start with a say, 70% share, and there is limited or no ‘staircasing’. Again the owner has the first option to buy the share back from the leaseholder should they wish to sell.

4. Principles

Equity Share will be offered only as a re-housing option for leaseholders who are required to move under the Council’s new build programme.

The principles that will apply to the offer of an Equity Share lease are as follows.

- a. Financially, the resident will be no better or no worse off after moving by taking up an Equity Share option. This is in line with the principle of ‘equivalence’ underpinning the legislation that governs compulsory purchase.
- b. Under Equity Share residents will be offered an alternative property of a similar size by bedroom (not bedspace) to the one that they currently

occupy. For example, a single person could be offered a move from a one bedroom, one bedroom flat to a one bedroom two person flat.

c. If a resident requests to move to a larger property than the one they currently occupy then consideration will be given to this but on a Shared Ownership basis not under Equity Share. Consideration will be on a case-by-case basis. Factors that will be taken into account will be, the reason for requesting a larger property; the financial impact on the Council; the income of the resident and their ability to afford the larger property (the prevailing guidance from the Home and Communities Agency will be used in this respect – for example, current guidance is that no more than 45% of net household income should be spent on mortgage and rent repayments and that the rent element should be no more than 2.75% of net income).

d. The resident will be required to reinvest the value of their current property plus 10% less £5,800 in the alternative property under an Equity Share move. This will mean that they have parity with tenants in respect of the financial package under the Council's Home Loss Policy. Residents can choose to invest more of their own capital in an alternative Equity Share property up to 100% of the equity at which point the lease would revert to the form of their current occupation (ie a long lease with the Council retaining the freehold).

e. The Equity Share lease on the alternative property will be offered for the same duration as the outstanding length of lease on the current property and will be valued on this basis. For example, if the current lease has 50 years to run the Equity Share lease will be offered for a 50 year duration and will be valued as such.

f. Alternative properties to be offered under Equity Share will only be made available on any of the schemes in the Council's new build programme or on properties that become available in the Council's Shared Ownership scheme.

g. The freehold of the property leased under Equity Share remains with the Council. If a resident chooses to move before the end of the lease, the Council will have the first option to buy back the lease.