

Item

NEW COUNCIL HOUSING, CAMPKIN ROAD 2



To:

Councillor Richard Johnson, Executive Councillor for Housing

Report by: Jim Pollard, Senior Development Manager Housing
Development Agency

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Wards affected:

Kings Hedges

Key Decision

1. Executive Summary

- 1.1 The City Council has agreed a devolution deal with government to deliver 500 new Council homes over 5 years. These will be delivered as rented housing, let in accordance with the Council rent policy (where rent and service charges together do not exceed Local Housing Allowance levels). Homes will be owned and managed by Cambridge City Council and let on Cambridge City Council tenancies.
- 1.2 Campkin Road Phase 2 (67 – 97a Campkin Road) was added to the rolling program at the 27th September 2018 Housing Scrutiny Committee. The site is occupied by 32 households: 25 tenants and 7 leaseholders. The proposed indicative scheme (see Appendix 2) will provide 75 new Council rented dwellings – a net gain of 50 affordable homes.
- 1.3 This proposal will take the overall number of units approved for development by the Council, subject to planning, to 537 which will

complete the Devolution programme and allow some margin for slippage against the programme should unit numbers not match the current indicative schemes or small schemes fail to deliver.

- 1.4 The report seeks approval for a capital budget for the scheme based on the indicative capacity study which has been undertaken for the site and the outline appraisals referenced in this report and for the delivery route to be adopted. This will require additional funding of £1,953,921 to be approved by Council over and above the current allocation in the Budget Setting Report. This will not be covered by Devolution funding although the scheme is a key element of completing the programme. This has arisen because this is the last scheme to be submitted to the HSC for approval and costs on the schemes overall have exceeded the high level cost estimate of £200,000 per dwelling which was the basis of the agreed programme.
- 1.5 The proposal includes the provision of a community room which is the size of a 2 bedroom flat and could be re-purposed as a flat if required. This will replace the community house at 37 Lawrence Way which will be let as Council housing again. Costs include an estimate for the refurbishment of 37 Lawrence Way for letting and this unit is included in the total of 75 Council rented dwellings to be provided by the scheme.
- 1.6 The scheme is indicative and subject to further review and pre-application planning consultation

2. Recommendations

The Executive Councillor is recommended to:

- 2.1 Approve the scheme in principle, recommending to Council, the inclusion of an indicative capital budget for the scheme of £15,964,921 in the Housing Capital Investment Plan, to cover all of the site assembly, construction costs, professional fees and associated other fees to deliver a scheme that meets an identified housing need in Cambridge City.

- 2.2 Approve that, subject to Council approval of the budget, delegated authority be given to the Exec Cllr for Housing in conjunction with the Strategic Director to enable the site to be developed through Cambridge Investment Partnership (CIP) subject to a value for money assessment to be carried out on behalf of the Council.
- 2.3 Authorise, subject to Council approval of the budget, the Strategic Director in consultation with the Executive Councillor for housing to approve variations to the scheme including the number of units and mix of property types and sizes outlined in this report.
- 2.4 Approve the use of the updated Council Home Loss Policy attached as Appendix 3
- 2.5 Delegate authority, subject to Council approval of the budget, to the Strategic Director to commence Compulsory Purchase Order (CPO) proceedings on Leasehold properties to be demolished to enable the development should these be required.
- 2.6 Delegate authority to the Strategic Director to serve initial Demolition Notices under the Housing Act 1985.

3. Background

- 3.1. There are a number of the Council's key Corporate Objectives that this development opportunity addresses:

Tackling the City's housing crisis.

- 3.1.1 Delivering the 500 new Council rented homes which are part of the Cambridgeshire and Peterborough Combined Authority devolution deal.
- 3.1.2 Delivering sustainable prosperity for Cambridge and fair shares for all.
- 3.1.3 Protecting essential services and transforming council delivery.
- 3.1.4 Tackling climate change and making Cambridge cleaner and greener.

3.2 The site at 67 – 97a Campkin Road is identified in the Development Rolling Programme.

3.2.1 The potential to redevelop this site was highlighted in a report taken to the 27th September 2018 Housing Scrutiny Committee. The rationale for redevelopment of the block is based on the information on the existing condition of the block and the opportunity to deliver a significant number of new homes on this land.

3.2.2 Residents were informed of the Councils intentions prior to the addition of the scheme onto the Councils Rolling programme, a decision that was made at the September 2018 Housing Scrutiny Committee. Residents have been written to advising them that this report is in preparation and will be advised that the report is to be presented to the Committee in June 2019. The residents have also been visited by Council officers. The MTFs approved in September 2018 included additional funding to support an officer dedicated to supporting residents through the decanting process. The Council has clear policies and procedures in relation to decanting and what it can offer to those residents directly affected by the redevelopment.

3.3 Local Housing Need

There is a recognised need for more affordable housing across the city. The table below demonstrates the number of households on the Housing Needs Register as of end of March 2019. There are currently 2644 households in need of a 1 or 2 bedroom property across the city; progressing this scheme will help in meeting the needs of those on the waiting list.

Cambridge City	1bed	2 bed	3 bed	4+ bed
	1925	719	232	56

Located in an area of existing housing stock, the development would bring some smaller units to the area to support sustainable communities.

4. Site Details

4.1 The site is at 67 – 97a Campkin Road in Kings Hedges Ward. A location plan of the site is at Appendix 1.



- The site is currently occupied by 32 existing homes of which 25 council tenanted and 7 leasehold.
- The site is surrounded by existing dwellings and green open space. The proposed development looks to retain the existing trees, the majority of the green space to the front of the scheme and improve the overall visual appearance. Limiting overlooking has been taken into account on the attached indicative layout.

4.2 The site is approx. 0.95 hectares in size (9500m²)

4.3 The following surveys and investigations have been undertaken or are programmed too, as part of the feasibility work for investigating the viability of the site for development:

- Air Quality
- Arboriculture Impact Assessment
- Level 1 Contamination
- Flood Risk / Drainage Assessment
- Noise
- Preliminary Ecology Survey
- Party Wall
- Rights to light
- Topographical Survey

Utility Mapping

- 4.4 There will be a need for further invasive ground and soil investigations as well as more detailed examination of the existing building for potential asbestos, following vacant possession and prior to any demolition. Following early identification of the issues there are strategies in place to manage and mitigate the impact on timescales and costs.
- 4.5 There services running along the front and North Western corner of the site, which diversions are not viable so a scheme layout has to take these into account.
- 4.6 Planning Feedback: Early advice was sought from planning consultants and pre-application meetings have been held with planning officers. Issues arising are noted below:
- Building heights, scale and density particularly building height on boundaries and overlooking of neighbouring properties
 - Provision of open space within the development
 - Resident car parking numbers and layout
 - Incorporation of serviceable bin stores and bike storage
 - Sustainable drainage requirements may conflict with the standards required for adoption of roads by the Highways Authority. However, the Highways Authority is reluctant to adopt minor estate roads. This has a maintenance cost implication for the Council.

4.7 Site Options

As part of the feasibility study and options analysis work undertaken in assessing the viability of delivering affordable housing on the site, a number of options were considered which are set out below.

4.7.1 Retain as existing

- The layout of the existing flat blocks is poor and there is a considerable amount of underutilised space in the current layout.

- Flats are currently all one bedroomed with an internal floor area of approx. 39sqm in size. Nationally described space standards dictate a minimum of 50sqm for one bedroom flats.
- The current two blocks were built circa 1960's and are of traditional brick construction. The age of these units will lead to the need for further investment and increased on-going maintenance.
- The car park to the rear of the flats is also in very poor condition and attracts fly tipping and other associated anti-social behaviour due partly to the lack of overlooking of this space. This will also form part of the redevelopment

4.7.2 Develop for HRA housing only

- Addresses the housing need identified in an area of existing housing stock, delivering units which will contribute towards the devolution funded new build programme.
- Increases the Council's housing stock and rental receipts provides a financial platform to support future development opportunities for the City Council's HRA stock.
- Devolution money is available to develop at 100% Council rent

4.7.3 Develop as a mixed tenure Scheme

- Addresses the housing need identified in an area of existing housing stock, delivering a net gain of units which will contribute towards the devolution funded new build programme. Incorporated some different forms of affordable housing e.g. Shared Ownership, Intermediate Rent, outright sale to meet a broader housing need

4.7.4 From the options considered in this section, the option to develop for HRA housing only is recommended as the approach that responds directly to the corporate objective of tackling the city's housing crisis and delivering our planning objectives.

4.8 Design and Sustainability

An affordable housing scheme would be based on the Council's adopted design standards and the Cambridge Sustainability Housing

Design Guide. CIP has adopted these design requirements as its minimum standard.

4.9 Programme

4.9.1 The indicative programme for the development is as follows:

Submission of Planning Application: December 2019

Planning Permission Granted: March 2020

Completion of decant: June 2020

Start on Site: August 2020

Completion: June 2022

4.10 Demolition notices

4.10.1 Service of Initial Demolition Notices under the Housing Act 1985 suspends the Right to Buy. Should a tenant make an application to buy their home (a leasehold interest in a flat) they would normally be sold at a discount. To allow the regeneration scheme to progress the council would then have to buy back these properties at market value plus 10% of the owner's interest and disturbance allowance and none of the discount granted would be repayable. Should a large number of additional homes be sold under the Right to Buy this would add significantly to the costs of the scheme and compromise its financial viability.

4.10.2 By serving the Initial Demolition Notice the council sets out its intention to proceed with the regeneration and this removes the obligation to complete Right to Buy sales for a maximum period of 7 years while the notice is in place. At the end of the notice period if the council has not completed the demolition of the property a tenant could ask for compensation arising from not being able to exercise their right to buy.

4.11 Compulsory Purchase Order

4.11.1 There are seven leaseholder properties on the scheme. The Council will need to buy back these properties. This will be done

through negotiations however if these are unsuccessful the only route for the Council would be to instigate a CPO.

5. Financial Implications

5.1 Budget / Funding

5.1.1 The total indicative cost is currently estimated at £15,964,921 (In addition to the demolition and construction costs this includes pre and post statutory planning fees, professional consultant fees, survey and site investigation costs and other associated costs, HDA fees and Land Assembly costs (leaseholder buy-back, home loss and disturbance payments are currently estimated at £1,846,300).

5.1.2 The scheme is in excess of the provision in the Budget Setting Report which ear-marked a budget of £14,011,000 for 73 dwellings in the pipeline, compared to £15,964,921 for 75 dwellings. This is an increase of 13.95% compared to an increase in units of 2.74%. The previous estimate has had to be revised as a result of further analysis of the site and the scheme that can be brought forward. The overall average unit cost of £212,866 is broadly at a mid-point in the range of costs within the devo 500 programme including the cost of decant and leaseholder buy-back.

5.1.3 It is proposed that the investment will be met from a combination of Right to Buy receipts and HRA resources for the additional homes on the site and HRA resources for all of the site assembly costs and the re-provision costs of the existing 25 rented residential units on the site. Although this scheme makes an essential contribution to the delivery of the 500 homes identified in the Devolution Agreement, it is anticipated that the £70,000,000 funding will be exhausted prior to funding this scheme.

5.1.4 This will result in the following mix of funding:

Right to Buy receipts:	£2,823,724
Devolution Grant:	0
HRA resources:	£13,141,197

Total: £15,964,921

The indicative capital budget is **£15,964,921**

5.1.5 The payback is 46 years taking into account the need to demolish habitable units. If the need to demolish the old units was discounted (a total discount would have to be on the basis that the existing properties are uninhabitable) the payback reduces to 42 years. The reality is between the two as the existing properties are not immediately uninhabitable but would have a higher maintenance cost and a shorter life than the new units. The appraisal assumes that RTB receipts are a free resource as they have to go to MHCLG if the Council fails to use spend them. Funding costs are based on the loss of potential interest on Council resources at 1%

6. Implications

(a) Staffing Implications

The development scheme will be managed by the Housing Development Agency which will also provide the Council's staffing contribution to the development of the scheme by CIP which is a 50-50 partnership.

There is a requirement to resource resident consultation, tenant decant, and leaseholder buy-back. Allowance has been made within the HRA MTFs for an additional member of staff to be employed to support this process, with the new post to work with both the H.D.A and City Homes to ensure that vacant possession is achieved in a timely and consistent manner, with appropriate consultation and communication with affected residents at every stage in the process.

(b) Equality and Poverty Implications

A series of EQIAs have been undertaken for the Council House Programme, the Housing Development Service and for individual schemes. The EQIAs mainly highlight the benefits of the Council retaining direct control of new housing development itself to ensure a focus on the delivery of housing that meets a diverse range of housing needs. Part of the assessment underlines the need for Affordable Housing to help those most likely to suffer poverty as well as ways in

which new Affordable Housing will directly save money for tenants, such as energy saving measures and reducing the impact of fuel poverty. An Equalities Impact assessment has been carried out for this scheme including the impact of these proposals on the existing residents.

(c) Environmental Implications

The Council housing will be built in accordance with the Cambridge Sustainable Housing Design Guide. Included in the Guide is a standard for energy efficiency that is higher than current building regulations: approximately Code Level 4/5 on the former Code for Sustainable Homes. Building Regulations Part L in themselves set a much higher standard than is achieved by the existing buildings.

(d) Procurement Implications

HRA Housing - Development and Delivery Options

The City Council has a number delivery options which it is currently exploring and utilising for the delivery of affordable housing on sites in the City:

- In-house construction by Estates and Facilities
- Procurement of a contractor through a traditional tender process
- Offer the site to CIP for development

In-house construction by Estates and Facilities

Estates and Facilities have recently completed construction of 2 No. 2 bed houses on a site at Uphall Road. Further sites of a similar scale have been identified that can be brought forward by estates and Facilities but the scale of the Campkin Phase 2 development combined with the timescale for delivery preclude this option.

Procurement of a contractor through a traditional tender process

A Design and Build contract could be let following a tender process which could be an open tender or a tender conducted through a public sector procurement compliant framework. The tender would be carried

out following the grant of planning permission. This route is a viable route but is not recommended because of the benefits offered by the CIP route

Offer the site to CIP for development

In July 2016 Strategy and Resources approved the setting up of the Cambridge Investment Partnership (CIP) which was subsequently established in January 2017. The use of the CIP in managing property development enhances the Council's capability for delivery of affordable housing and makes the best use of its community assets to provide for the future of Cambridge and its residents. The principles governing the process of bringing forward developments through CIP were agreed at the Strategy & Resources Scrutiny Committee held on 9th October 2017.

The Committee agreed to delegate a decision to the Exec Cllr for Finance and Resources, Exec Cllr for Housing or Leader (as appropriate) in conjunction with the relevant Strategic Director for the final approval of a Strategic Development Brief and Proposed Land Transfer / Disposal Model to CIP for individual sites. Major sites will be reviewed at a Scrutiny Committee prior to the Executive Councillor decision to transfer the land to CIP.

The Strategic Development Brief will be based on the proposals set out in this report although as noted at 1.6 above the scheme is indicative and subject to further review and pre-application planning consultation.

The proposed Model for developments through CIP for individual sites may take the form of a license and the use of a framework rather than a Land Transfer / Disposal. This will remain subject to approval of the Exec Cllr for Finance and Resources, Exec Cllr for Housing or Leader (as appropriate) in conjunction with the relevant Strategic Director. It will also be subject to an independent value for money assessment.

(e) Community Safety Implications

There are no recognised implications on Community Safety with the proposed developments. The scheme will be built in accordance to

Secure by Design guidelines as set out within the City Councils Design Brief

7. Consultation and communication considerations

- 7.1 Residents were contacted informing them of the Council's intention to investigate the potential redevelopment prior to its recent addition to the Rolling Program 27th September 2018. The most recent consultation took place in February 2019. All tenants and leaseholders were written to offering to meet with them on an individual basis to explain what the Council is planning to do and what their rights and entitlements are as a Tenant or Leaseholder. These meetings were offered at convenient or flexible times for the occupiers and not tied to conventional working hours.
- 7.2 Meetings were held with all the residents who requested them. All residents have been written to advising them that the report is coming forward. Subject to the approval of this report meetings will be held individually with all the residents.
- 7.3 Consultation and communication with existing tenants and leaseholders will continue in accordance with the updated City Council's Home Loss Policy (Appendix 3) – Commitment to Resident Involvement approved at the March 2017 Housing Scrutiny Committee. This policy sets out the Council's commitment to those affected by regeneration and the compensation and support available. The policy refers to tenants and leaseholders being able to return to the new development. This option will be available to tenants but there are no units for sale in the scheme that would be available to leaseholders.
- 7.4 The HDA continues to liaise closely with colleagues in City Homes, to ensure timely and accurate information is made available to all affected by the proposals.
- 7.5 There has been consultation with Ward Councillors about the proposals. The Ward Councillors were supportive of the principle of redevelopment to provide additional council housing.
- 7.6 There will be a public consultation event in the area prior to submission of a planning application. There will also be formal consultation through the planning process once the application has been submitted.

8. Risks

8.1 Below is a table setting out key risks associated with the project:

Description of risk	Likelihood	Impact	Mitigation
Scheme not starting on site by March 2022 and therefore not contributing to 500 homes target.	Low- Current programme has identified 522 this scheme is anticipated to start in 2020	Med- impact would be delivery of a lower number of much needed homes and reputational risk in the Councils ability to deliver and therefore attract grant in the future. If this scheme was not part of this programme funding would need to be identified from other sources	Programme level monitoring of risk. The HDA is developing the capacity and processes to deliver the projects to meet the targets. It is working with CIP on this and a number of other projects.
Land assembly issues: decant and leaseholder buy-back	Med - There is a limited risk on costs against the assessment that has been made; there is a significant risk of delay.	High – If a CPO is required this cannot be put in place until planning is granted and would take 1 year from receipt of planning.	Recruitment of a dedicated resource to manage the decant process and to liaise between all relative parties. The Council has a policy in place in relation to home loss. There is a statutory process through a CPO should negotiations not be successful
Cost: Indicative costs have been set out in the report; this is an occupied site and further work including intrusive site investigations remains to be carried out and is limited by existing occupation of the site. Market conditions in the construction industry can also impact on estimated costs.	Med- further investigations could uncover unknown issues	Med-. Delays to start on site and contract negotiations leading to the potential increase in costs	Ensure all site surveys are as accurate as they can be taking into account resident occupations. Implement a survey tracker. Efficient decanting will enable earlier site investigation and this will facilitate greater certainty on costs. The HDA will engage an Employers Agent to scrutinise costs and to manage quality assurance processes which have an impact on life-cycle costs.
Planning: The planning application will be subject to the observations of consultees, the assessment of planning officers, and ultimately the decision of the Planning Committee.	Med- current scheme has been through a number of Pre Application discussions with Planning. There is a need to balance planning policy and views of the local people and ward members.	Med- Potential change in unit mix and reduction in numbers	The indicative scheme will continue to be developed in response to the comments received from the pre-application discussions with the LPA which have been carried out. Further discussions will be carried out.

Resources: This report identified the need for additional staff resources.	Low- Allocation of resource is within CCC control; risk attached to timely recruitment of appropriate staff	High- Impact would be a delay in decanting and delays in start on site	Subject to approval of the budget, HDA and City Homes officers will work together to ensure the timely recruitment of appropriate staff to implement the decant programme.
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9. Background papers

None

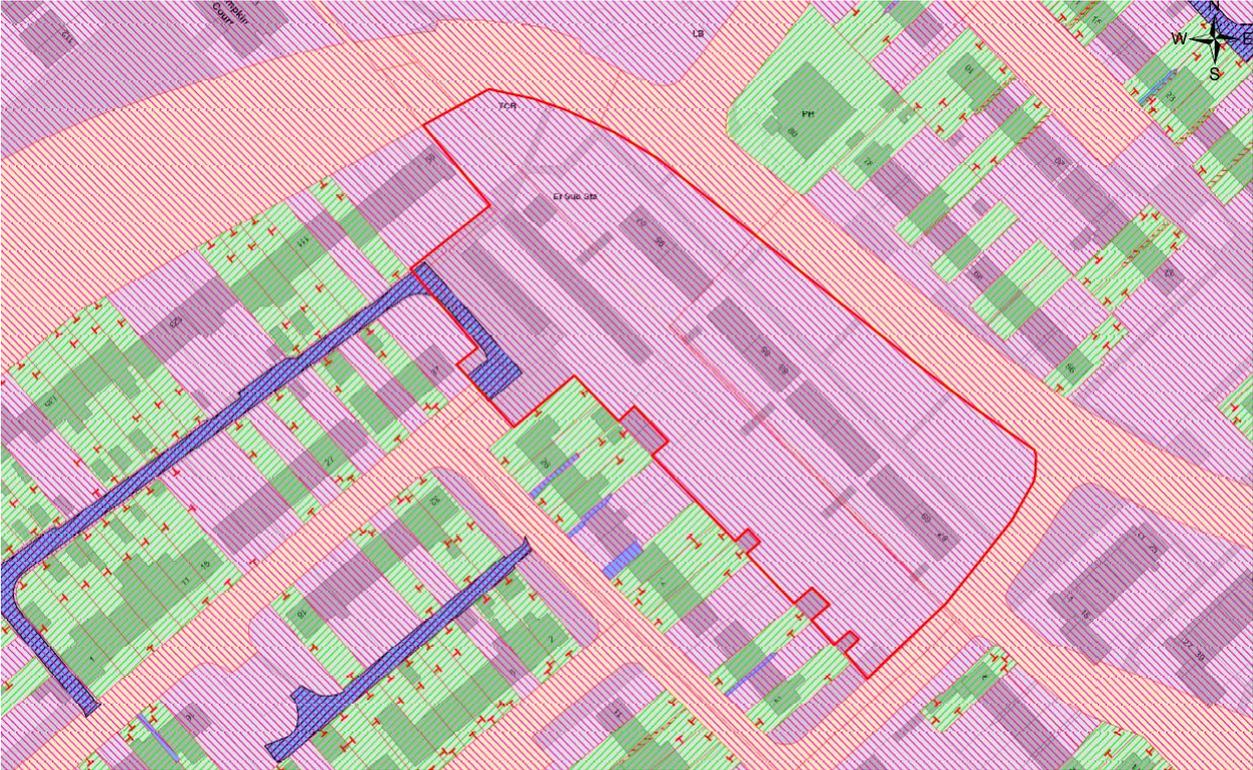
10. Appendices

- Appendix 1 – Site Location plan and red line of proposed transfer
- Appendix 2 – The proposed scheme layout
- Appendix 3 - Home Loss Policy 02/2019

11. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Jim Pollard, Housing Development Agency, tel: 01223 457924, email: jim.pollard@cambridge.gov.uk

Appendix 1 – Site Location plan



Appendix 2 – Indicative layout further pre-application planning advice is being sought on this layout.



Appendix 3 CAMBRIDGE CITY COUNCIL HOME LOSS POLICY

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 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.

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 Council 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 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 as their main and principle home 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 £6,300 but is reviewed annually and can go down as well as up. The payment that you receive will be net of any monies owed to the Council, examples of this would be rent arrears and Council Tax, and this is not an exhaustive list.

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 offer you two options.

Option 1: A lump sum payment of £1250 in lieu of services offered in Option 2. If this option is chosen the Council will not provide any of the services listed in option 2.

Option 2: 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 and the property that you are moving to has no carpets fitted of an equivalent standard to those that you are leaving behind
- Cost of re-direction of mail for 3 months
- Costs associated with moving telephones and Broadband services
- 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 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 £63,000. Again, to be eligible the leaseholder must have occupied the premises for at least one year and be their main residence.

- 5.3 Disturbance Payments to Leaseholders in occupation and their main point of residence 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 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. This can also be referred to as an 'absent Leaseholder'.
- 5.6 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 meet with officers 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 and the letter will include a named member of the Housing Development Team and Housing Officer with full contact details of those named officers. 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 have to register on HomeLink and 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 freeholder (usually a social landlord). Shares can start as low as 25%. Usually leaseholders can buy extra shares to 'staircase' to buy outright although some schemes limit the maximum share that can be purchased and the freeholder 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 70% share, and there is limited or no 'staircasing'. Again the freeholder (usually a social landlord) has the first option to buy the share back from the leaseholder should they wish to sell.

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 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 Homes England 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% 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 (i.e. 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.