

**WESTMINSTER CITY COUNCIL**

**REHOUSING POLICY FOR RESIDENTS  
OF HUGUENOT HOUSE**

**JULY 2021**

**DRAFT FOR CONSULTATION**

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## 1. Introduction

- 1.1 In March 2021 the council made the decision to redevelop Huguenot House. The new development will include market homes for sale and affordable housing for returning tenants. This policy applies to the residents of Huguenot House who are affected by the redevelopment and where their properties are identified for acquisition.
- 1.2 Residents of Huguenot House may be:
- Resident leaseholders
  - Secure tenants
  - Private tenants.
- 1.3 This policy mainly covers housing options and entitlements for resident leaseholders and secure tenants. It also covers entitlements for non resident leaseholders (4.1 – 4.5) and private tenants (6.1 – 6.4).

## 2. Overall approach

- 2.1 This section applies to resident leaseholders and secure tenants.
- 2.2 **Rehousing**  
The council aims that resident leaseholders and secure tenants have options to return to the new development or to live as close as possible to it to retain their local links and networks, if this is their choice.
- 2.3 **Advice, support and information**  
The council is committed to working closely with residents in a way suited to their needs and to discussing their options and entitlements and communicating this policy in an accessible way. One to one discussions and points of contact will be available and any support offered will be tailored to individual needs as far as is possible.
- 2.4 The council is aware that residents may have particular circumstances and needs which may make them vulnerable and where this is the case, additional assistance will be provided. Third parties may be engaged with, such as family members, social services and health practitioners to identify and address any special needs.

- 2.5 Free independent advice will be made available to residents to help them decide on the best option for them. Specialist independent legal, financial or other specialist advice may also be available in some circumstances.
- 2.6 This policy only covers headline information and detailed information, about for example disturbance payments or the equity loan / shared equity offer (for resident leaseholders). Full information will be available to residents as and when it is needed.
- 2.7 **Implementation**  
Residents will be advised when the Policy is implemented and will be given a reasonable period of time to decide on the best option for them. The council may appoint agents to act on its behalf to deliver parts of this Policy so any references to 'the council' may also apply to its agent. Residents will be informed where agents are used.
- 2.8 **Fraud**  
Any false applications for rehousing will be taken seriously and appropriate action taken, such as the rehousing offer being withdrawn.
- 2.9 **Discretion**  
There may be limited circumstances when the relevant Director, duly delegated persons, may exercise discretion in relation to this Policy due to exceptional individual circumstances and they will do this by taking into account all the relevant information.
- 2.10 **Appeals**  
Residents can appeal to the relevant Director or to a senior officer nominated by them about how this Policy has been applied to their personal circumstances. Appeals must be made by email or in writing within 21 days of written notification of the decision which the resident seeks to challenge. The appeal needs to set out the reason why the resident believes that the decision is not in line with the Policy. The council will offer reasonable assistance to any resident who cannot make an appeal by email or in writing. A decision about the appeal will be made within 21 days of it being made, using the evidence provided. The deadline for making a decision about the appeal may be extended where further information is needed.

- 2.11 If the appeal is successful a new decision will be made. If the appeal is unsuccessful the council's original decision will remain. The resident will however be advised how to get independent advice on the options open to them.

### **3. Rehousing Options for Resident Leaseholders**

#### **3.1 Definition of a resident leaseholder**

A resident leaseholder is one who has been occupying their property as their only or main home throughout the period of 12 months before the date of the letter sent by the council to them, stating that it intends to acquire their property by agreement.

- 3.2 Leaseholders who live away from their property at any time during the applicable period of 12 months will normally be considered non-resident leaseholders, although there may be exceptions to this and they will be considered in line with individual circumstances. These might include:

- Where a leaseholder is working abroad for a period
- Where a leaseholder has had to vacate their home for a period due to (for example) care responsibilities, harassment, ill health or disability.

- 3.3 The Council Tax register will be used to decide if leaseholders meet the residence qualification. Additional sources of information may be used to decide whether they are resident where the council considers it to be necessary and appropriate.

- 3.4 The definition of a resident leaseholder for the purposes of statutory compensation is different. For these purposes a resident leaseholder is someone who has occupied their property as their only or main home for at least one year before they have to move out. The term 'resident leaseholder' is used in this different sense in the Financial entitlements section 3.9 – 3.11.

#### **3.5 Definition of a non-resident leaseholder**

Any leaseholder not meeting the above criteria will be considered a non-resident leaseholder and will only be eligible for the option and entitlements set out in 4.1 – 4.5

### 3.6 **General approach**

Every reasonable effort will be made to negotiate the acquisition of leaseholders' properties by agreement and they will be informed of the relevant procedures, options and timescales.

3.7 If attempts to acquire properties by agreement have been exhausted, a Compulsory Purchase Order (CPO) will be used as a last resort. It may be necessary for work to progress a CPO to be undertaken whilst negotiations to acquire by agreement are ongoing, but the council's position will be that it will continue such negotiations to acquire by agreement. Where attempts to acquire by agreement are unsuccessful, the council may have to use its powers of compulsory purchase as a measure of last resort.

### 3.8 **Approach to rehousing**

The council's aim is that all resident leaseholders have options to return to the new development and have similar rights as homeowners as they have now. It should be noted however that the housing costs cannot be replicated exactly, as lending rates and conditions are subject to change. Utility, ground rent and service charge costs may also be different at the new properties compared with the leaseholder's existing property.

### 3.9 **Financial entitlements**

Every leaseholder whose property is acquired by the council is entitled to statutory compensation.

### 3.10 **For resident leaseholders** (see 3.1 – 3.4 above for definition)

#### 3.10.1 ***Compensation equal to the open market value of the property***

The council will appoint a qualified valuer to act on its behalf and undertake a valuation to determine the market value of the property. Leaseholders can also appoint a qualified valuer, to act on their behalf and the council will reimburse the reasonable costs incurred by leaseholders in appointing their valuer. The valuation assumes that the sale is between a willing seller and a willing purchaser as if no renewal scheme were taking place.

3.10.2 ***A Home Loss Payment*** which is 10% of the market value of the property being sold subject to a cap which is set by the Government<sup>1</sup>.

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<sup>1</sup> Currently this is the Secretary of State for Housing Communities and Local Government

3.10.3 **A Disturbance Payment.** This is a payment to cover all reasonable expenses associated with the sale of the property, moving, and in connection with the purchase of a replacement property. Disturbance payments may include expenses associated with moving twice, where the leaseholder will have to move first into temporary accommodation. Examples include but are not restricted to:

- Early mortgage redemption fees at the existing property
- Mortgage and lender fees arising from the purchase of a replacement property
- Stamp duty land tax (SDLT) arising from the purchase of a replacement property, capped at the equivalent stamp duty value of the agreed purchase price of the property sold to the council. Different SDLT arrangements apply where the leaseholder is buying with help from the council see Options 1 – 2 and Option 5
- Solicitor/legal fees arising from the purchase of a replacement property
- Surveyors fees arising from the purchase of a replacement property
- Registered packing and removal services provided by a third party organisation (such as a removal company)
- Disconnection and reconnection of utility supplies and redirection of post.

3.11 Further information about statutory compensation can be found in the Government's Compulsory Purchase and Compensation Booklet 4 – Compensation to Residential Owners and Occupiers. A copy is on line at the link below and hard copies can be provided if requested.

[www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/571453/booklet4.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/571453/booklet4.pdf)

## Options to return to the new development

- 3.12 The council will provide a number of purchase options to help leaseholders buy one of the new properties.

### **OPTION 1: Buy one of the new build homes with an equity loan or on a shared equity basis**

- 3.13 It is expected that the new market homes in the new development will be of a higher value than leaseholders' current homes. This option enables leaseholders to have similar housing costs as they do currently. Equity loans and shared equity are similar and one or the other will be offered depending on whether the properties are to be sold to leaseholders by the council, or an external organisation.

#### **3.14 Buying with an equity loan**

Where this option is offered an external organisation, such as a private developer, will sell one of the new build properties directly to the leaseholder at market value. The council will offer the leaseholder an interest free equity loan to make up the difference between the leaseholder's contribution (see 3.16) and the market value of the property. There are no repayments or interest on the equity loan. Its terms will be set out in a loan agreement. The council's interest in the property is secured by a charge on the property. All other rights and responsibilities relating to the property will be set out in a lease. The leaseholder will need to repay the loan when the property is sold and any uplift or decrease in the value of the property will be shared between the council and the leaseholder in line with their percentage contributions (see example 3).

#### **3.15 Buying on a shared equity basis**

Where this is offered the leaseholder will purchase a share in the equity of the new build property directly from the council. The leaseholder's share will be their contribution (see 3.16), and the council's share will be the difference between this and market value of the property. The terms of the purchase, along with other rights and responsibilities relating to the property, will be set out in a shared equity lease. The leaseholder will not have to make any payments, such as rent or interest, on the council's share of the property. The leaseholder will be the sole owner of the property and the council's interest will be secured by a charge on the property. The council's contribution is recovered when the property is sold and any uplift or decrease in the value of the property will be shared between the



Council and the leaseholder in line with their percentage contributions (see example 3)

### 3.16 Eligibility

Leaseholders are eligible for both these options where they agree to put the value of their existing property into the purchase, plus their home loss payment. Examples of these arrangements are below. The leaseholder's contribution will be made up of:

- 3.16.1 The market value of the property being sold to the council (made up of their equity in the property plus the value of any outstanding mortgage). In exceptional circumstances, less than market value may be accepted and decisions will be made on a case by case basis and following a financial assessment.
- 3.16.2 The home loss payment received.
- 3.16.3 Any other capital/savings they want to put into the purchase although this is not compulsory

#### **Example 1: Buying with an equity loan where the leaseholder has a mortgage at their existing property**

Value of the property being acquired £600,000  
*(In this example the leaseholder has a £150,000 mortgage)*

Value of new property £800,000

#### ***Leaseholder contribution to the new property:***

Made up of:

Outstanding mortgage on the property being acquired\* £150,000

Equity £450,000

Home loss payment (10% of the market value) £60,000

**Total leaseholder contribution £660,000 (82.5%)**

**Council contribution to the new property: £140,000 (17.5%)**

\*In this example the existing mortgage needs to be ported over or a new mortgage of £150,000 will need to be raised before the sale of the new property can complete

**There are no repayments on the council's contribution to the purchase**

**Example 2: Buying with an equity loan where the leaseholder has no mortgage at their existing property**

Value of the property being acquired £600,000  
*(In this example there is no mortgage and the leaseholder owns the property outright)*

Value of new property £800,000

***Leaseholder contribution to the new property:***

Value of property being acquired £600,000

Home loss payment (10% of the market value) £60,000

**Total leaseholder contribution £660,000 (82.50%)**

**Council contribution to the new property: £140,000 (17.5%)**

**There are no repayments on the council's contribution to the purchase**

**3.17 Terms**

Full details about the terms will be made available to leaseholders. The following basic terms will apply:

3.17.1 The leaseholder will be the owner of the property.

3.17.2 The full Stamp Duty Land Tax liability on the property will be covered as part of the Disturbance Payment.

3.17.3 Leaseholders are able to sublet the new properties without needing permission from the council or landlord (although permission from their lender may be needed if they have a mortgage).

3.17.4 Leaseholders have the right to sell the property. The council's contribution to the purchase will be repaid when the property is sold, and any increase or decrease in the value of the property will be apportioned between the leaseholder and the council in line with their respective shares, which will be calculated as percentages (see example 3)

### Example 3: Selling the property

When the property is sold the council and the leaseholder will receive any increase in value proportionate to their contribution. The following example assumes the property has gone up 5% from its original value of £800,000 to £840,000 (note property values can go down as well as up)

The leaseholder		The council	
Contribution to the purchase	£660,000 (82.50%)	Contribution to the purchase	£140,000 (17.5%)
5% increase in property value	£33,000	5% increase in property value	£7,000
Amount received if the property was sold	£660,000 <u>+£33,000</u> <b>£693,000*</b>  <b>*Minus any outstanding mortgage</b>	Amount received if the property was sold	£140,000 <u>+ £7,000</u> <b>£147,000</b>

- 3.17.4 Prior to any sale, the property will need to be independently valued and it must be sold at its open market value at the time. The valuation will be at the expense of the leaseholder along with all associated administrative and other costs connected with the sale.
- 3.17.5 The leaseholder is responsible for repairs, service charges, major works, insurance costs and all other costs associated with the new property.
- 3.17.6 The leaseholder is able to pay off the equity loan or increase their equity share in the new property, however, in order to do so a new independent valuation of the property will be needed, so that the council's and the leaseholder's respective shares in the property can be adjusted. This valuation, and any associated administrative costs, will be the responsibility of the leaseholder. This process is called "staircasing". Once the leaseholder has paid off the equity

loan in full, or staircased to 100% ownership, they will own the property outright.

- 3.17.7 The new property cannot have a greater number of bedrooms than the leaseholder's existing property, unless, subject to availability, leaseholders can finance the cost of any additional bedroom/s themselves. The cost of any additional bedroom/s will be determined by taking the difference between the market value of a new property of the size the leaseholder is entitled to buy and one of the size they want to buy.
- 3.17.8 If the leaseholder has a mortgage on their current home, this will need to be transferred, or a new one will need to be obtained of at least the same value (unless exceptional circumstances apply, see 3.16.1). Independent financial advice may be made available to leaseholders, if needed, to help them find a new mortgage.
- 3.17.9 Any disabled adaptations (integral and non-integral) present in a leaseholder's existing property will be reinstated in the new property and paid for by the council. An assessment of any adaptations needed, and to be included in the new property, will be carried out by the council's Occupational Therapist.
- 3.17.10 In the event of the original leaseholder's death after the completion of the sale, any heirs that were resident with the original leaseholder at the time of their death, and who had been living with them as their principal home for six months, and are members of their family, will have the opportunity to transfer these arrangements into their name and at their own expense. Family members are defined as the leaseholder's spouse, civil partner, people living with them as a spouse or civil partner, parents, grandparents, children, grandchildren, siblings, uncles, aunts, nephews and nieces. The arrangement can only be passed on once from the original leaseholder to qualifying heirs.
- 3.17.11 Any heirs that are family members, as defined above, but are non resident, as defined above, will have the opportunity to transfer the arrangement into their name from the grant of probate for five years at their own expense. After five years, they will have the option to purchase the property outright, after which the council will enforce a

sale. The arrangement can only be passed on once in this way from the original leaseholder to qualifying heirs.

- 3.17.12 The aim is for all new properties to have leases for not less than 125 years.

## **OPTION 2: Become a shared owner in the new development**

- 3.18 This option is available to leaseholders who are not eligible for the equity loan option. Leaseholders will be eligible for this option where they have, or can raise, sufficient finance to buy at least a 25% share in one of the new properties and meet all other housing costs.
- 3.19 The shared ownership lease offered will mirror the Homes England's standard lease as far as possible. Full information about this will be made available. One exception to Homes England's standard terms, leaseholders are able to sublet the new properties without needing permission from the council or landlord (although permission from their lender may be needed if they have a mortgage).
- 3.20 Leaseholders can buy an initial share of between 25% - 75% of the property, and will pay a rent of up to 3% on the remaining share held by the council. After the purchase of an initial share, they can buy more shares up to 100% of the property value. Shared owners are fully responsible for 100% of internal repairs, service charges and major works. The shared owner is responsible for 100% of the service charge regardless of their level of their share.
- 3.21 The level of the initial share to be acquired by each leaseholder will be determined using Homes England's Shared Ownership Eligibility and Sustainability Calculator. The model currently requires housing costs to be a minimum of 25% of net income and a maximum of 45% of net income.
- 3.22 SDLT on shared ownership properties can be paid in stages. The Disturbance Payment will cover SDLT in line with the leaseholder's proportion of ownership. If the leaseholder chooses to staircase, they will be liable for the additional future SDLT.

### **OPTION 3: Buy one of the new homes outright**

- 3.23 Leaseholders have the option to buy one of the new build properties outright if they want to and they are able to raise sufficient finance, using the compensation received as a result of the acquisition of their existing property, plus any additional capital or savings they are able to put into the purchase and/or by raising a mortgage.
- 3.24 Leaseholders choosing this arrangement are, subject to availability and their personal finances, able to buy a property that is larger than the one where they have been living. The full SDLT liability will not be covered by the council where this option is chosen and SDLT will be capped at the equivalent stamp duty value of the agreed purchase price of the property sold to the council.

### **Arrangements when buying one of the new homes (Options 1 – 3)**

#### **3.25 Temporary accommodation**

As the new homes in the redevelopment will not be ready for at least three years, leaseholders will need to relocate to temporary housing while they are built. Where this is the case, leaseholders will generally be offered an assured shorthold tenancy in the local area, where possible. In some circumstances temporary housing from the council's own housing stock may be available. One reasonable offer of temporary housing will be made of a suitable property with the same number of bedrooms as the existing property. The temporary housing cannot be sublet.

- 3.26 The council will make every reasonable effort to offer a property which meets leaseholders' preferences and requirements and takes account the leaseholder's needs including the location of their support networks, employment and schools and the needs of any disabled household members. All temporary housing offers will be subject to the availability of supply and it should be noted that residential accommodation nearby may be limited.
- 3.27 Any disabled adaptations (integral and non-integral) present in a leaseholder's existing property will be reinstated in the temporary housing at no cost to the leaseholder.
- 3.28 There will be a right to appeal against the offer of temporary housing. Appeals must be made within 21 days of the offer by email or in writing and setting out

why the offer is considered unreasonable. The council will try to reasonably assist any leaseholders who cannot make the appeals by email or in writing. Appeals will be considered by the relevant Director or any other person delegated by them to make the decision, within 21 days following receipt of all information required for the appeal. Where such further information is needed, it will be requested within the 21 day period referred to. See further section 11 below.

- 3.29 Where the appeal is successful an alternative offer will be made. If the appeal is unsuccessful the council's original offer of temporary housing will be reiterated and the leaseholder will need to either accept that offer or choose another housing option. Where appeals are unsuccessful leaseholders will be advised how to obtain independent advice as to the options open to them.
- 3.30 The housing costs in temporary housing will be up to the housing costs paid by the leaseholder at their existing property. Existing housing costs are calculated as being the total of any mortgage, ground rent and service charge payments made by the leaseholder in respect of their existing property. If there was no mortgage at the property being acquired by the council, the housing costs in temporary housing will be equivalent to any ground rent and service charge costs at their existing property. The leaseholder will be responsible for all other charges at the temporary accommodation. Leaseholders moving into temporary accommodation will be entitled to full disturbance costs associated with two moves.
- 3.31 Leaseholders that are eligible for Housing Benefit are expected to apply for it.
- 3.32 It may be possible for leaseholders to find their own temporary accommodation and they should firstly discuss this with the council and decisions will be made on a case by case basis. The same approach to costs, as in 3.30 might be taken to any accommodation found by the leaseholder, if the costs are considered reasonable and agreed by the council. If temporary accommodation costs are not agreed by the council the leaseholder would be responsible for them.
- 3.33 **The process of buying**  
The following will apply:
- 3.33.1 Leaseholders will be expected to hold the capital from the sale of their existing home and their home loss payment themselves. As this is a large amount of capital, the council will fund appropriate

independent financial advice for leaseholders if they want it. Leaseholders are not expected to put any interest accrued into the purchase of the new home unless they choose to.

- 3.33.2 Although leaseholders opting to buy one of the new homes in the redevelopment will have to move away and return, there will be a point when they may be able to buy one of the new homes “off plan” i.e. before they are completed. Where this is the case, both valuations (i.e. the valuation of the current home and the new one they are purchasing), will assume that the two transactions occurred at the same time.
- 3.34 As part of the process of selling the properties “off plan”, leaseholders will be asked to express an interest in purchasing a newly built property through one of the available options. Once the purchase terms are agreed, the leaseholder will enter into a binding contract to buy the property. At this stage, the leaseholder will be required to pay a deposit to secure their interest in the new property. After the property is built and it is ready to move into, the balance of the leaseholder’s contribution will become payable in order to complete the purchase. The Leaseholder will have at least 3 months, from the date at which they are notified that the property they have contracted to buy is ready to occupy, to complete their purchase. If they do not do this then the contract will be void, and the council or another vendor is free to sell the property to another purchaser.
- 3.35 **Allocating the new properties**  
After consulting with residents, a Lettings Plan will be developed for the redevelopment setting out how the new homes will be allocated to returning leaseholders. The new homes offered to returning leaseholders might not be in the same location as the original home and might be in a different part of the redevelopment.



## Other options for resident leaseholders

### OPTION 4: Practical help with buying a replacement property

3.36 Where it is needed, the council will provide practical, non-financial help to assist leaseholders to buy another replacement property. The need for this will be assessed on a case by case basis.

3.37 This help may include:

- 3.37.1 Information on how to purchase a property on the open market and help to identify a property.
- 3.37.2 Information on any other leasehold properties the council knows are for sale in Westminster.
- 3.37.3 Advice on intermediate low cost home ownership options.

3.38 In some circumstances, the council may be able to facilitate the purchase of a replacement leasehold property from its own vacant stock (this is dependent on the supply of housing stock and is subject to government rules and conditions).

### OPTION 5: Financial help to buy a replacement property locally

3.39 Where the options to return to the redevelopment are unsuitable for the leaseholder, the council may offer them the opportunity to buy another property locally with an equity loan or on a shared equity basis. This option may be offered where leaseholders:

- 3.39.1 Have a need to remain locally, due to the location of their employment, support networks, or for other factors considered reasonable, **and**
- 3.39.2 Are unable to afford to buy another property outright of the same size and type, due to any difference in property prices.

- 3.40 Where this option is agreed, leaseholders will be eligible where they agree to contribute to the purchase of the new property:
- 3.40.1 The market value of the property being sold to the council (made up of any equity in the property plus the outstanding mortgage).
  - 3.40.2 The home loss payment.
  - 3.40.3 Any other capital/savings they want to put into the purchase although this is not required.
- 3.41 Properties must be comparable i.e. be of the same size and type as the ones in which they have been living and cannot have a greater number of bedrooms than the leaseholder's existing property being acquired by the council.
- 3.42 The offer could include a property from the council's (or its agents) social housing stock so could be an ex social housing property. The terms of the purchase will mirror those set out in 3.17 (relating to shared equity and equity loans) as far as is possible, but it should be noted that the product offered to buy a replacement property could vary. Different providers can be subject to different rules and regulations when they are offering equity loans and shared equity. Leaseholders will receive full information about this if they want to pursue this option.

#### **OPTION 6: Become a social housing or intermediate tenant**

- 3.43 In some circumstances where leaseholders are unable to purchase a replacement property, they may be eligible to become a social housing or intermediate tenant in Westminster.
- 3.44 Leaseholders may be eligible for this option where:
- 3.44.1 None of the alternative home ownership options in this policy are appropriate due to the leaseholder's financial circumstances and no suitable reasonable alternative accommodation is available, **or**
  - 3.44.2 They wish to be a tenant and owner occupation is no longer suitable because of their disability or ill health, or the disability or ill health of their partner.

- 3.45 Factors which will be taken into account to assess eligibility will include:
- 3.45.1 The suitability of available home ownership options.
  - 3.45.2 The length of time the leaseholder has lived in Westminster and factors which require them to remain there such as; location of employment, support networks and any other reasonable factors.
  - 3.45.3 Whether their housing needs could be met in other ways and if reasonable alternative housing is available elsewhere.
  - 3.45.4 The leaseholder's financial circumstances including the level of equity in the property, any personal debt and if they may find it difficult to get another mortgage.
  - 3.45.5 Any vulnerability issues such as age, ill health or disability.
- 3.46 The offers made will depend on the available supply of social and intermediate housing. Any offer made will be at the council's sole discretion.
- 3.47 **Financial entitlement**  
Where it is agreed that a leaseholder will become a social housing or intermediate tenant in Westminster, they will receive:
- 75% of the market value of their property (or interest in the property).
  - A home loss payment of 10% of the open market value of their property subject to a statutory maximum (no discount will be applied to the home loss payment).
  - A disturbance payment to reflect the cost of moving (see 3.10 – 3.11 for more information about financial entitlements).
- 3.48 **The tenancy**  
Leaseholders eligible for this option will be offered a social or an intermediate tenancy depending on their circumstances.

**3.49 When an intermediate tenancy may be offered**

Intermediate tenancies have higher rents than social ones, but are below market rents and they are set at rates which reflect local incomes. An intermediate tenancy will generally be offered if the leaseholder's household income is such that the rent and other housing costs for a suitable property would be no more than 40% of the household's net income. Net income will generally be taken to be 70% of gross income.

3.50 Leaseholders will have high priority for any intermediate tenancies that are available and can apply for them through the council's intermediate housing service (called Westminster Home Ownership). It should be noted that a range of providers offer intermediate tenancies and the tenancy terms may vary between each, and a shorthold assured tenancy may be offered. Generally intermediate tenancies will only be offered where it is likely that they will be renewed, as long as the tenant continues to meet the criteria for intermediate housing.

**3.51 When a social tenancy may be offered**

A social tenancy will generally be offered, subject to availability, when the leaseholder's household income is insufficient to meet the criteria for an intermediate tenancy.

3.52 The following factors will also apply when a social housing tenancy is offered:

3.52.1 The size of the property needed will be assessed in line with the council's Housing Allocation Scheme (see 5.30 – 5.35).

3.52.2 The rent charged will be in line with the relevant rent or tenancy policy of the council or any private registered provider (housing association) as applicable.

3.52.3 Leaseholders will have priority to bid for a social tenancy for a reasonable period. Where they bid for council tenancy it will be offered as a secure tenancy. It should be noted that some private registered provider (housing association) tenancies will be offered as fixed term tenancies. If the leaseholder does not bid for a property direct offers may be made. The direct offer will take into account where possible the leaseholder's stated preferences.

3.53 In some circumstances and if possible, leaseholders may be given priority to bid for any rented properties in the redevelopment if they are available. These circumstances may include where the leaseholder:

- 3.53.1 Has children attending local schools and the travel time, or costs from the property to which they initially moved, are unreasonable in the long term.
- 3.53.2 Is receiving support from a family member, or giving support to a family member living in the local area and this provision of support is not sustainable from the existing property in the long term.
- 3.53.3 Has employment in the local area and the time or cost of travel to work is unreasonable in the long term.

#### 4. Non-Resident Leaseholders

4.1 Non-resident leaseholders may sell their property to the council and are entitled to financial compensation.

4.2 **For non-resident leaseholders** (see 3.5 for definitions)

4.2.1 ***Compensation equal to the open market value of the property***

The council will appoint a qualified valuer to act on its behalf and undertake a valuation to determine the market value of the property. Leaseholders can also appoint a qualified valuer, to act on their behalf and the council will reimburse the reasonable costs incurred by leaseholders in appointing their valuer. The valuation assumes that the sale is between a willing seller and a willing purchaser and as if no renewal scheme were taking place.

4.2.2 ***A Basic Loss Payment*** which is 7.5% of the market value of the property being sold subject to a cap, which is set by the Government<sup>2</sup>.

4.2.3 ***A Disturbance Payment*** in relation to costs incurred in acquiring a replacement property, within one year, including SDLT on the replacement property capped at the equivalent SDLT value of the agreed purchase

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<sup>2</sup> Currently this is the Secretary of State for Housing Communities and Local Government

price of the property sold to the council (full information about how to claim this payment and the evidence which needs to be supplied will be provided).

- 4.3 In some circumstances leaseholders will be reimbursed for costs incurred due to Early Mortgage Redemption Fees and applications will be considered on a case by case basis, taking into account when the mortgage was taken out and its terms.
- 4.4 Leaseholders will not be reimbursed for loss of rent for the period while conveyancing is being undertaken for the property to be sold to the council.
- 4.5 Non-resident leaseholders will have the opportunity to discuss their financial compensation with a dedicated officer. Further information about statutory compensation can be found in the Government's Compulsory Purchase and Compensation Booklet 4 – Compensation to Residential Owners and Occupiers. A copy is on line at the link below and hard copies can be provided if requested.

[www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/571453/booklet4.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/571453/booklet4.pdf)

## 5. Rehousing Options for Secure Tenants

### 5.1 Definition of a secure tenant

These are tenants of public bodies such as the council. Their secure tenancies can only be ended with a court order. The rights and obligations of secure tenants are set out in the Housing Act 1985.

### 5.2 General approach

The council is committed to tenants moving by agreement and for tenants to have enough rehousing options to meet their needs. If it is not possible for an agreement to be reached however, the council may apply to the court for a possession order or it may use its powers of Compulsory Purchase.

### 5.3 Approach to rehousing

In most cases secure tenants have a right to return to the redevelopment (see 5.18 for when this may not apply) and other rehousing options are also available. A fair and transparent approach to rehousing will be taken. Every effort will be made for tenants to have the same or similar tenancy rights and rent levels in the new homes, as far as is possible.

### 5.4 Financial entitlements

Tenants will be entitled to claim two sorts of payment:

**(1) A home loss payment** – to compensate them for having to move at a time which is not of their choosing

5.5 Every secure tenant that has been living in their home as their main residence for twelve months, prior to the date they move, will receive a home loss payment. This is a statutory payment and the amount is set by government.

5.6 Only one payment will be made to joint tenants. Should a dispute arise between joint tenants, spouses or civil partners (or persons living with the tenant as a spouse or civil partner), tenants are encouraged to seek legal advice to resolve it.

5.7 In some cases, the council may choose to make a home loss payment to tenants that had been living in their homes for less than twelve months prior to the date of the move and decisions in these situations will be made on a case by case basis.

5.8 The council may seek to recover any rent arrears from the home loss payment.

**(2) A disturbance payment** – to cover all the reasonable costs of moving.

- 5.9 Tenants have a statutory right to receive a payment to cover all the reasonable costs of moving. Examples of the types of costs that can be claimed include: (but are not restricted to)
- Removal costs - for vulnerable residents this can also include additional support, such as furniture packing and unpacking
  - Redirection of mail for up to three months
  - Telephone and internet disconnection and reconnection
  - Disconnection of television aerials or satellite dishes connected to an existing television. Reconnection will only be covered with the landlord's approval
  - Washing machine, cooker, dishwasher and plumbed fridge disconnection and reconnections (these will generally be carried out by the council's removal firm)
  - Refitting of existing curtains and carpets. Where this is not possible the payment will cover new equivalent curtains and carpets
  - Dismantling and re-fitting of resident owned fitted units (such as kitchen units and wardrobes)
  - Any extra costs of new school uniforms – for example if any children in the household have to go to a new school due to the move.
- 5.10 Services covered by a disturbance payment may be arranged by the council using its own suppliers and where this is the case, tenants will not need to arrange them, pay for them or to claim a disturbance payment for them. Tenants will be advised where this is the case and of the processes involved.
- 5.11 Tenants will be advised of the process that applies when they need to arrange and pay for services themselves. All items claimed for, and the amount, will need to be agreed in advance with the council and quotes will need to be provided from legitimate suppliers. Receipts and invoices will need to be supplied before the payment can be made.
- 5.12 If a tenant has opted to return to the new development, but needs to move away temporarily while the new homes are built, they will be entitled to two disturbance payments.
- 5.13 Where the council has agreed to offer more than one home i.e. has agreed a "family split", disturbance payments will be considered on all the moves and decisions will be made on a case by case basis.



- 5.14 Further detailed information will be available about the financial assistance that can be claimed and when it will be provided.

## Rehousing options

### **OPTION 1: Move into another social home in Westminster for a temporary period, but then move into one of the new social homes in the redevelopment when they are ready**

#### 5.15 **About the temporary home**

- It will be of the size needed, which means it could be bigger or smaller than the current home. The information in 5.26 – 5.30 sets out how the size of the new home will be assessed
- Older residents may want to consider moving into sheltered housing but should note there will not be sheltered housing in the new development
- A secure tenancy will be offered so tenants will retain the same tenancy rights as far as is possible
- The rent will be set in line with the national formula so it shouldn't be significantly different from the rent in the original home (but it might be different)
- **Tenants will have the right to stay in the temporary home if they change their mind about moving again.**

- 5.16 Tenants can choose to move into a property offered by a registered provider during this period but should note that the tenancy terms will be different.

#### 5.17 **About the home in the new development**

- It will be of the size needed, which means it could be bigger or smaller than the current home. The information in 5.26 – 5.30 sets out how the size of the new home will be assessed
- A secure tenancy will be offered so tenants will retain the same tenancy rights as far as is possible
- The rent will be set in line with the national formula so it shouldn't be significantly different from the rent in the original home (but it might be different).

#### 5.18 **Exceptions (when Option 1 may not be offered)**

There may be times when a home in the redevelopment cannot be offered:

##### 5.18.1 ***Where there has been a change in circumstances***

The social homes in the redevelopment will take account of residents' needs for those that wish to return. The council appreciates that people's circumstances change and will always try

and accommodate them in the new scheme. However, there will be a point where a new home of the size and type needed cannot be offered as the plans have been finalised. Tenants will be advised of all the relevant timescales relating to this and they should advise the council of any changes in circumstances as soon as possible.

5.18.2 ***Where there is a need for specialist housing***

A new home in the redevelopment can also not be guaranteed to tenants that now need specialist housing as there will not be any. Specialist housing is defined in the Glossary and includes, for example, sheltered housing for older people or supported housing for people with mental health issues. Where specialist housing is needed the council will work with tenants to offer housing options to meet their needs.

5.18.3 ***Where a tenancy has been lost***

For all of the options, if the tenant at any point loses their tenancy, (i.e. the Court grants possession of it) due to a breach of the tenancy agreement they will no longer be eligible for any of the rehousing options.

**OPTION 2: Move into another social home in Westminster**

5.19 This option may not be available where there is a need for some types of specialist housing (see 5.18.2) and where the tenancy has been lost (see 5.18.3).

**About the new home**

- It will be of the size needed, which means it could be bigger or smaller than the current home. The information in 5.26 – 5.30 sets out how the size of the new home will be assessed
- A secure tenancy will be offered so tenants will retain the same tenancy rights as far as is possible
- The rent will be set in line with the national formula so it shouldn't be significantly different from the rent in the original home (but it might be different)

(The council can also try to help tenants move elsewhere, if they want to, through one of the mobility schemes, for example there is a Seaside and Country Homes Scheme to help older people move outside London)

### **OPTION 3: Become a homeowner**

5.20 Tenants will have high priority for any new intermediate homes (see the definition of intermediate housing in the Glossary) built in the new development which are for sale, so they can get on the housing ladder. To qualify for this option, tenants will need to be eligible for “intermediate housing” and be able to afford to buy the new intermediate homes. Information about eligibility is at:

[www.homeownershipwestminster.co.uk/](http://www.homeownershipwestminster.co.uk/)

5.21 The new home will be a type of low cost home ownership such as shared ownership.

5.22 This option may not be available where the tenant needs specialist housing (see 5.18.2) or where their tenancy has been lost (see 5.18.3).

#### **5.23 The Rehousing Process**

The stages are summarised below:

- **Stage 1: The Housing Needs Survey** – at this stage the tenant considers their options and the council finds out about who is in the household, the type of new home needed and any particular needs the households has
- **Stage 2: The Assessment** – at this stage a detailed assessment is undertaken of the size and type of new home needed
- **Stage 3: Rehousing begins** – at this stage the option chosen is confirmed in writing and generally cannot be changed. Rehousing will then start.

#### **5.24 Stage 1: The Housing Needs Survey**

Every tenant will be visited and given the opportunity to discuss their rehousing options and to ask questions. They will be advised how they can access independent advice. They will also be asked to complete a Housing Needs Survey, to help the council understand their needs and the type of new housing which will be needed. The Survey will cover:

- Who is in the household
- If any household members have any medical issues or disabilities which will affect their rehousing. These will need to be assessed by the council’s Medical Assessor
- The preferred location for the new home if they are not opting to return
- Anything else that might affect their rehousing such as the location of employment, schools or any support services

- If the household needs any additional support to move (which may mean they are eligible for an enhanced Disturbance Payment)
- Which of the options they have chosen.

5.25 Checks will be carried out where necessary and tenants may be asked to provide additional information. These surveys may be updated from time to time.

5.26 ***Stage 2: The Assessment***

Using the information from the last Housing Needs Survey, the Housing Allocation Scheme and relevant legislation, an assessment will be carried out of the size and type of new home that is needed. At this stage the tenant may be asked to provide more information and evidence about household members and how long they have been living with them.

5.27 Household members that are eligible to be included in the assessment

In line with the council's Allocation Scheme the following people can be included:

- Secure/joint tenants of the council
- Household members originally housed with the tenant by the Council
- The long-term, co-habiting partner of the tenant
- Dependent children who normally reside with the tenant on a permanent basis
- Adult relatives, including adult sons and daughters of the tenant, who were originally re-housed by the council into the current accommodation and their dependent children who normally reside with them. Their spouses and/or partners, that were **not** part of the original household, will only be included where they did not cause overcrowding when they moved in. Adult relatives (originally re-housed with the tenant) that have not been living with the tenant continuously will only be considered part of the household if they have resided there for five years continuously, before confirmation by the Council that their home will be subject to regeneration (unless they are students living away on a temporary basis, are detained in an institution or hospital, are in the armed services or are serving a custodial sentence and in all cases there is an intention to return)
- Carers, where it has been agreed they need to be rehoused with the tenant.

5.28 Everyone else, not included in 5.27 above, will be **excluded** from being part of the assessment and this includes:

- Friends, lodgers and sub-tenants living with the tenant
- Anyone else that moved in that did not form part of the original household, including relatives
- Children of the tenant whose main/principal home is elsewhere

- Any other person the council, in its discretion deems ineligible.

5.29 Some flexibility may be applied to this criteria (in 5.27) for older family members of the tenant/s (aged 60 or over), that would normally be excluded from the assessment. They may be included in the assessment where they did not cause overcrowding when they moved in. Decisions about this will be made on case by case basis and will take into account the length of time the older family member had been residing in the household and whether other housing is available to them.

5.30 The household size and the ages of household members

Once the household members that are eligible to be included in the assessment are worked out, the size of the home needed can be determined. This will generally be assessed in line with the Council’s Bedroom Standard in the Allocation Scheme.

5.31 Single people, who are living in one bedroom homes and would normally only be eligible for a studio, will be offered homes with one bedroom. Single people already living in a studio may be offered another studio. Couples are entitled to a one bedroom property.

5.32 Larger households will be offered homes with a living room, kitchen, (or a combined living room and kitchen), bathroom/WC and the appropriate number of bedrooms. The following table shows how the number of bedrooms is worked out for eligible household members:

	<b>Each of the following will be offered ONE BEDROOM</b>
<b>Adults</b>	The tenant and any spouse or partner
	Adult household members and any spouse or partner (unless they are siblings – see below)
	Two siblings of the same sex where the age gap is ten years or less (where there is more than a ten year age gap two bedrooms will be offered)
<b>Children</b>	Two children of the opposite sex under 10
	Two children of the same sex under 16
	Two children of the same sex where one or both is over the age of 16 and where the age gap is 10 years or less
	One child (that is not included in the categories above)

- 5.33 Overcrowded households will be offered larger properties which meet their needs and households that are under occupying will generally be offered smaller properties. Tenants that move to smaller homes because they are under occupying will be eligible for a Cash Incentive Payment, if they meet the criteria set out in the Housing Allocation Scheme.
- 5.34 Households that are under occupying may be offered one additional bedroom, above their assessed needs, for their permanent move, if there is available supply and where this is the case they will not be eligible for a Cash Incentive Payment.
- 5.35 In some cases, households needing homes with two bedrooms or more might be offered separate properties. This is known as “splitting” the household. This will be considered and agreed on a case by case basis. Where it is agreed, the original tenant will be offered an equivalent tenancy to the one they have now and they will have the right to a new home in the redevelopment, if this is their choice. Household members that have not held a tenancy before will be offered tenancies in line with the Council’s Tenancy Policy and this will generally be an introductory tenancy followed by a flexible tenancy (see the Glossary). They will not be eligible for a new home in the redevelopment.
- 5.36 *The type of new social home*  
The Council’s Medical Advisor will assess if the household needs a certain sort of property such as a level access one, or one that is suitable for a wheelchair user. All necessary aids and adaptations will be replaced in the new home.
- 5.37 *Joint tenants*  
Should there be a dispute between joint tenants, who are spouses or civil partners (or persons living with the tenant as a spouse or civil partner), tenants are encouraged to seek legal advice.
- 5.38 *Priority for rehousing*  
Anyone that needs to move due to the redevelopment will generally have the highest priority to move in the Housing Allocation Scheme, so they will have sufficient points to be prioritised ahead of other groups needing housing.
- 5.39 *Priority for the new build social homes*  
Returning tenants, who have had to move away, will have the **first priority** for these (i.e. those selecting Option 1). Where two households are interested in the same property, the length of time they had lived at their original home will be

used to decide who it should be offered to, with the tenant that had lived there the longest, being offered the property.

5.40 *Priority for other moves*

As stated above, anyone that needs to move due to the redevelopment will generally have the highest priority to move in the Housing Allocation Scheme, so they will have sufficient points to be prioritised ahead of other groups needing housing.

5.41 The supply of housing for the temporary move for Option 1 and for the permanent move for Option 2 in the local area will be limited. Those with the highest needs will be prioritised for the supply that is available by the award of additional points or priority. These will be awarded where:

- An application has been made to a primary or secondary school for a qualifying member of the household, and a move away from the local area could result in them not being chosen for it. (This only applies where the current address is in the catchment area)
- A qualifying member of the household is receiving a specialist medical service and would be unable to continue to travel there due to their age, vulnerability and/or a disability
- There are other exceptional reasons.

5.42 ***Stage 3: Rehousing begins***

A letter will firstly be sent to the tenant setting out:

- Their rehousing choice. At this stage the option chosen is generally binding, although for Option 2 tenants will be able to remain in the temporary home if they wish
- All the relevant timescales, such as when rehousing will start and when it needs to be completed – called the “Rehousing Period” and when the new homes are likely to be ready (if Option 1 is chosen)
- How the homes will be allocated and when the “Bidding Period” will start and finish (see 5.43 – 5.44)
- That they should let the council know about any change in their circumstances
- How to apply for home loss and disturbance payments
- Any other relevant information.

5.43 Whichever option is chosen, tenants will generally be able to bid for the new homes through choice based lettings, during a “Bidding Period”. If more than one

household is interested in the same property, and they have equal priority for it, the length of time at their current address will be used to decide who it should be offered to. During this period direct offers may also be made to secure a property for a tenant, but they do not have to accept it. Tenants will always be able to view alternative properties before they accept them.

- 5.44 Once the “Bidding Period” has ended, if the tenant has not moved one suitable direct offer will be made. A further suitable direct offer may be made in exceptional circumstances.
- 5.45 Households needing wheelchair accessible units and those needing four bedrooms or more will be made suitable direct offers rather than bidding for homes through choice based lettings. This is because the supply of these homes is limited.
- 5.46 *Changes in circumstances*  
Tenants need to inform the council as soon as possible if they have a change in their circumstances which may affect the size and type of new home they need. There may be a point where a new home of the size and type needed cannot be guaranteed in the new development as the plans have been finalised. Where this is the case, a new home of the right size and type needed will be offered as close to the new development as possible.

## 6. Private tenants

### 6.1 **Definition of a private tenants**

These are tenants of private landlords. There are different types of private tenancies but the most common is an assured shorthold tenancy. An assured shorthold tenancy can be brought to an end after any fixed period has expired by the landlord giving the tenant two months’ notice, or the tenant giving the landlord one month’s notice.

### 6.1 **General approach**

The council will make every effort to communicate with private tenants as early as possible to explain what is happening and when. All private tenants will be visited at least once and informed where they can get further advice, particularly if they are at risk of being homeless as a result of housing renewal.



- 6.3 Those at risk of homelessness will be referred to the council's Housing Solutions Service. Additional support will be offered to vulnerable households where it is needed.
- 6.4 Alongside this, the council will also be communicating with their landlord (the non resident leaseholder).

## **7. Updating the policy**

- 7.1 The council reserves the right to amend or update the Policy in the future but will generally consult on any proposed changes. Changes may not be consulted on however where the amendments are imposed by legislation or they are only positive in nature.

## 8. Glossary

### **Affordable housing**

Homes for sale or for rent for people who cannot afford market housing.

There are generally understood to be two forms:

- 1) **Social housing:** housing for rent for low income people on the council's waiting list
- 2) **Intermediate housing:** housing for working people that aren't eligible for social housing but can't afford market housing. This is let through the Council's intermediate housing service called Homeownership Westminster:

[www.homeownershipwestminster.co.uk/](http://www.homeownershipwestminster.co.uk/)

It can be offered by councils or registered providers (housing associations). In London the Mayor sets the income thresholds for eligibility. There are different intermediate housing products, which may include low cost home ownership products or discounted rental schemes, called intermediate rent. Intermediate rented properties might be for a fixed term or they might be offered on a longer term basis, or as long as household income does not exceed the maximum amount set by the London Mayor. Intermediate rents are below market rents and in Westminster are set at rates which reflect local incomes.

### **Assured shorthold tenancy**

A tenancy which can last for a minimum period of six months, however it can be

offered for a longer fixed period or continue indefinitely with the consent of the tenant and landlord. At the end of the fixed period, or at any time thereafter, the landlord is entitled to possession of the property as long as they give the tenant two months' notice.

### **Bedroom Standard**

This is part of the Housing Allocation Scheme (see below). It sets out the size of property an applicant for social housing is eligible for, taking into account who is eligible to be rehoused with them, their ages and any other special requirements.

### **Cash Incentive Payment**

A payment offered to certain households that are under occupying their social homes when they move to a smaller home. Details of when these payments are offered are in the Housing Allocation Scheme (see below).

### **Choice based lettings**

A way of letting social homes, which enables those eligible for them to bid for a property of their choice through an internet based system. Properties are advertised each week.

### **Flexible tenancy**

A flexible tenancy is a type of secure tenancy and contains many of its features. The main differences are: that it lasts for a fixed period, rather than running on indefinitely; and if the landlord applies for possession at the

end of the fixed period, the Court has to grant it, as long as all the correct procedures have been followed. Most new tenancies issued by the council are flexible tenancies. The council's Tenancy Policy sets out when a new tenancy will be granted at the end of the fixed term and can be found at:

[www.westminster.gov.uk/housing-policy-and-strategy/tenancy-policy](http://www.westminster.gov.uk/housing-policy-and-strategy/tenancy-policy)

### **Housing Allocation Scheme**

This sets out how the council allocates social housing. It includes who is eligible for social housing, the size of property they need, how properties will be let and the priority they have for them, compared with other groups. The full scheme can be found at:

[www.westminster.gov.uk/housing-policy-and-strategy/allocations-scheme](http://www.westminster.gov.uk/housing-policy-and-strategy/allocations-scheme)

### **Integral and non-integral adaptations**

An integral adaptation is built in to the property, such as a walk in shower and a non-integral adaptation can be fitted once the property is built such as a grab rail and is relatively portable.

### **Intermediate housing**

Intermediate housing is for households that cannot afford market housing but do not qualify for social housing.

### **Off Plan Purchase**

The purchase of a property before it is built, with only the plans available for inspection.

### **Secure tenancy**

A tenancy that can only be brought to an end by the landlord by a court order and the order will only be granted by the court if one of the statutory grounds for possession is made out and other statutory tests (including in certain cases, the reasonableness of possession action) are met.

### **Specialist housing**

This is housing for a particular group of people such as young people, those with learning difficulties or a mental health problem. It is accompanied by support, which may be provided on site. It can be short or longer term accommodation.

### **Tenancy Policy**

This Policy sets out the types of social housing tenancies the council offers i.e. when a secure tenancy or a fixed term flexible tenancy is offered. For flexible tenancies it sets out how long they are for and when they will be renewed. The Policy can be found at:

[www.westminster.gov.uk/housing-policy-and-strategy/tenancy-policy](http://www.westminster.gov.uk/housing-policy-and-strategy/tenancy-policy)

### **Under occupation**

This is where someone has a bigger home than they need. In social housing the Council's Bedroom Standard in the Housing Allocation Scheme is used to assess the size of home needed.