

Committee Housing Management and Almshouses Sub Committee	Dated: 25.04.2016
Subject: Decant Policy – Sheltered Housing Review Part 2	Public
Report of: Director of Community and Children’s Services	For Decision
Report author: Paul Jackson – Department of Community and Children’s Services	

Summary

On 15 January 2016 Members approved a proposal to redevelop the Corporation’s sheltered housing scheme at Mais House in Lewisham. The proposal requires vacant possession of Mais House and the rehousing (decanting) of residents and associated payment of compensation. A Decant Policy (attached as Appendix 1) has therefore been drafted to ensure compliance with legislation and other Corporation policies.

The policy has been drafted principally in response to the decision to redevelop Mais House and therefore applies to secure tenants only. Home loss and disturbance payments are expected to be payable for all residents at Mais House. It is recommended that the overall initial estimated budget required to meet claims for compensation at Mais House be set at £450,000, subject to regular review.

Recommendations

Members are asked to:

- Approve the decant policy attached as Appendix 1.
- Approve the creation of an initial budget of £450,000 for home loss and disturbance payments for residents of Mais House over the life of the decant programme.

Main Report

Background

1. At a meeting of the Community and Children’s Services Committee on 15 January 2016 Members approved a recommendation to redevelop the Corporation’s sheltered housing scheme at Mais House as a lifetime homes scheme, prioritised for older people. Residents were formally notified of the Committee’s decision in a letter dated 18 January 2016. The proposal to redevelop requires vacant possession of Mais House and the permanent rehousing of all residents.
2. The power to require tenants to give a landlord vacant possession of their existing home as part of a planned improvement or redevelopment plan, and the associated duties to provide suitable alternative accommodation and financial compensation for tenants are set out in the Land Compensation Act 1973, and

the Housing Act 1985, as amended. Due regard will also be paid to other legislation such as the Human Rights Act 1998.

Current Position

3. Officers have undertaken a housing needs survey to establish the rehousing requirement at Mais House. Initial interviews have taken place with most residents. Offers of rehousing will begin as suitable properties become available.
4. The Department of Community and Children's Services has not previously undertaken a large scale redevelopment programme requiring vacant possession and the rehousing of residents. Officers have therefore drafted a decant policy (attached as Appendix 1) setting out the required arrangements to ensure compliance with relevant legislation and other Corporation policies.
5. The cost of compensating displaced tenants is currently estimated at £450,000 over the life of the decant programme. This will be funded as part of the overall capital costs of the redevelopment work at Mais House. The contract for redevelopment work at Mais House has not yet been let, but a budget is being established now so that approved claims for compensation can be paid straight away.

Purpose

6. The decant policy has been drafted principally to implement the decision to redevelop Mais House where all existing residents are secure tenants. A separate policy will be required for leaseholders or freeholders, or for the exercising of compulsory purchase orders, should the need arise in future.
7. The purpose of this report is to seek approval for the decant policy and the creation of a budget to ensure compensation can be paid to displaced tenants.

The decant policy

8. Responsibility for decanting and rehousing affected residents will lie with the Corporation. The policy will apply once the appropriate Committee has decided to proceed with a modernisation, redevelopment or demolition scheme proposal. The policy aims to ensure the fair and equitable treatment of all tenants. An equalities impact assessment is attached at Appendix 2.
9. The policy sets out the arrangements by which tenants will be rehoused, supported and compensated for the loss of their existing home and the associated costs of moving. These include:
 - The decanting and rehousing of tenants, including
 - decant programmes, residents rights and eligibility for assistance;
 - housing needs survey and assessment ; priority for rehousing, and making offers of accommodation;
 - support for vulnerable households.
 - The financial compensation payment to tenants:
 - home loss payments;

- disturbance payments and allowances
10. Decanting programmes will vary. In some residents may move temporarily pending a move back to their substantive home after; in others it may be necessary to rehouse residents permanently with an option to move back after redevelopment. There is no legal requirement to allow secure tenants to return to new properties on a redeveloped site. However, the Corporation is committed to allowing residents who wish to return to be given priority to do so.

Assessment of housing need

11. The legislation requires that the following people will be eligible for rehousing and assistance:
- tenants living in an affected property 12 months prior to the date of the Committee decision to proceed with the proposed scheme;
 - family members including children living with living with the tenant at the property 12 months prior to the date of the Committee decision;
 - partners and spouses living with the tenant 12 months prior to the date of the Committee decision.

The Corporation will not rehouse unauthorised occupants, sub-tenants, lodgers, licensees, children of the tenant whose main or principal home is elsewhere, or other non-secure occupants.

12. A housing needs survey will be undertaken to inform the decant programme. All residents will be offered a visit to assess their individual households' rehousing needs, preferences and support requirements.
13. The size of alternative property to be offered will be determined using the Corporation's allocation policy in the first instance. Additional properties or smaller or larger properties than that currently occupied may be allocated in line with the allocation policy or where the housing need survey identifies a need.

Offers of accommodation

14. Residents requiring rehousing as part of a decant programme will be awarded points equivalent to the category of management transfer. Additional points may be awarded for medical needs or local connection as determined by the allocation policy.
15. Residents in a decant programme will be eligible to bid for suitable alternative accommodation through the Corporation's choice-based lettings scheme. However, for residents of sheltered schemes, such as Mais House, offers of suitable alternative accommodation will be made directly to make it easier for residents, and officers will provide support throughout the process.
16. Residents moving within the Corporation's own housing stock will be given new tenancies when they are decanted (unless they are moving on a temporary basis). These will be for the same term as the tenancy currently held ie if a lifetime tenancy the new tenancy will be a lifetime tenancy. Tenure may change if residents opt to move to another housing provider.

17. The Corporation is committed to moving households on a voluntary basis through mutual agreement where possible. Every effort will be made to ensure suitable alternative accommodation which meets the reasonable needs and preferences of households is offered. In the event of refusal of a final offer of suitable alternative accommodation, the Director of Community & Children's Services, in line with the Scheme of Delegation, will review the offer to determine its reasonableness. Legal action to gain possession of tenanted properties will be a last resort.

Support for residents

18. The Corporation is committed to supporting residents who may be vulnerable because of age, disability, or other medical problems or conditions. The Corporation will do all it can to ensure extra support to residents who need it when they are moving home. In addition to liaising directly with health and care providers this will include practical help with the necessary arrangements for furniture removal and associated requirements such as reconnection of appliances, provision of aids and adaptations and decoration allowances.

Compensation and financial assistance for displaced residents

19. The policy sets out the statutory home loss and disturbance payments to be made to residents who have to move as a result of demolition or a programme of modernisation or redevelopment work

Home loss payments

20. Home loss payments are paid to tenants who move permanently from their home as a consequence of demolition and/or redevelopment works. Home loss will not be payable to tenants who move temporarily and return to their substantive home following work. Payments are payable once only, per property and are divided between joint tenants. As at October 2015 home loss payments for tenants are set at £5,300.

Disturbance payments

21. Disturbance payments are paid for reasonable expenses incurred in moving. Where tenants are required to move twice, disturbance payments will be paid twice.

22. The following expenses considered as standard will normally be met by a disturbance payment:

- cost of removals, disconnection and reconnection charges for domestic appliances, telephone lines etc.
- cost of redirection of post for up to 3 months;
- cost of refitting or replacement of existing carpets, curtains and blinds.

Other costs may be eligible for reimbursement including, but not limited to:

- re-provision or refitting of disability aids and adaptations, security alarms and equipment

- costs of redecoration where decoration to temporary or permanent accommodation has not has not been carried out by the Corporation.

23. Tenants will be required to submit estimates for expenses when moving home. Claims will be assessed to determine the reasonableness of the expense incurred. Tenants may also opt to use Corporation approved contractors for some of the work. In these instances the associated costs will be met and paid directly by the Corporation.

24. Alternatively, where tenants wish to undertake removal work themselves, to alleviate the administrative burden associated with moving, tenants may claim a single, flat rate payment to undertake removals work deemed as standard as detailed in paragraph 22 above. The claim for standard items will be considered by the Corporation to be pre-approved. It will not be necessary for tenants to submit estimates or receipts although tenants will be expected to make the necessary removal arrangements themselves. Rates are detailed in Appendix 1 of the decant policy document (attached).

Corporate & Strategic Implications

25. Increasing the supply of housing within the City and our neighbouring areas is the cornerstone of our housing strategy over the next three years. Redeveloping Mais House supports this aim.

26. A full Equalities Impact Assessment has been carried out for the Sheltered Housing Review Phase 2, including this policy and is attached at Appendix 2.

Implications

27. There are financial and legal implications flowing from the decision to redevelop Mais House and the associated requirement for vacant possession.

28. The rights of residents and their entitlement to financial assistance compensation are set out in the Land Compensation Act 1973. The decant policy sets out the Corporations general arrangements to ensure it complies with the statutory requirements when decanting properties in relation to improvement or redevelopment programmes.

29. The decanting programme at Mais House will require funding to meet the home loss and disturbance payments claims from displaced tenants. Whilst home loss payments are fixed by statute, housing providers are required only to meet claims for reasonable expenses incurred in moving, which may vary widely. At present it is estimated that funding up to £450,000 may be required. These costs can be capitalised once a capital budget for redevelopment work at Mais house is approved. In the meantime, a budget is being established so that payments can be made to residents as soon as they are ready to move.

Appendices

- Appendix 1 - Decant Policy for Social Housing
- Appendix 2 – Equalities Impact Assessment

Background Papers

Sheltered Housing Review Phase 2
Community and Children's Services Committee 15 January 2016

Paul Jackson

Interim Programme Manager

T: 0207 332 1574

Email: paul.jackson@cityoflondon.gov.uk