

## **RESIDENT DECANT STRATEGY**

### **Key Principles**

The decant strategy is based on two elements.

- The Council's aim to meet residents' aspirations, as set out in the Community Charter, where this is practical.
- The successful bidder's proposals.

From the inception of the scheme, as previously reported to Cabinet, the Council's objectives have been:-

- to enable existing residents, whether council tenants or home owners, to stay in the area if this is their preference, by giving them options to do so;
- enabling secure tenants to choose to decant to an alternative council home outside the area, if their preference is to remain council tenants.

### **Offer for Existing Tenants**

Existing tenants will have a guaranteed option to stay in the area, by taking up an offer of a single, permanent decant move to a new home, within the Blackwall Reach development, to be built by the RSL partner. Existing tenants choosing this option will become assured tenants of the new RSL partner, but with the key rights of secure council tenure preserved by the RSL partner. This is a pre-condition for the selection of the RSL partner.

To summarize, existing secure council tenants will be offered a choice of permanent rehousing, as follows:

- an alternative new housing association home, as an assured tenant of the selected RSL partner for Blackwall Reach (option to remain);
- an alternative housing association home, as a assured tenant, with one of the other housing associations operating elsewhere in the borough, if this is the individual tenant's preference;
- an alternative Council home, as a secure tenant, elsewhere in the borough, if this is the individual tenant's preference.

The RSL partner will work closely with council officers to engage with tenants to explain the tenancy agreements, which will be very similar to those they have now, and how the RSL will manage the new homes as future landlord. Existing tenants will also be consulted on the detailed design of their future new homes.

The RSL partner will endeavour to meet tenants' requests where it can, for example in enabling existing neighbours to live close to each other.

It should be noted that the scheme is premised on residents wishing to remain local, thus making one move from their existing home on the Council's Estate to a new home to be built by the RSL partner. However, it may be possible, subject to the winning bidder's proposals, for those residents moving first to new homes within phases 1A and 1B, to opt for a second later move, within the development, to homes

overlooking the central green. This addresses a concern which emerged during the earlier consultation.

It should be noted that some large families/householders may wish to be rehoused with the household splitting into more than one household.

The Council will need to utilise Ground 10A (Demolition notice) arrangements in the last resort to recover tenanted properties where residents do not opt for rehousing locally under the scheme, or pursue and secure rehousing under the Council's rehousing scheme, recognizing that they will have decant priority.

### **Offer for Home Owners**

Existing home-owners who live in their property ("resident" home owners), and whose homes are included in the development / CPO area, are to be enabled to purchase a new replacement home in the regeneration area.

The Council's standard offer to home owners is based on its legal duty, should it be required to rely on a CPO. Existing home-owners will be entitled to full compensation rights under the Compensation Code including:-

- full market value (FMV) – based on agreement following valuation by the council and, if desired, an independent valuation commissioned by the leaseholder, which must be by an accredited surveyor / valuer, and which the Council will refund;
- resident home owners (leaseholders or freeholders) receive an additional statutory home loss payment equivalent to 10% of the agreed purchase price; non-resident home owners receive a "basic loss" payment equivalent to 7.5% of the purchase price;
- reimbursement for reasonable legal and other relocation costs, upon production of verifiable receipts.

However the Council has recognised that some resident owners may be in genuine hardship and not feel able to purchase independently, or may have a predominant desire to remain in the immediate area once the redevelopment happens.

Therefore existing home-owners will be offered, where they are residents, the opportunity to move to a new replacement home within the development. This will be built by the RSL partner on a like-for-like size bed-size basis, and provided on flexible, shared equity terms.

Resident home-owners taking up this option will be required to invest the equity value of their present homes, to acquire an equity stake in their new home. However the RSL bidders have indicated that they will allow automatic "staircasing" by year to full 100% leasehold ownership after seven years, without extra cost to the purchaser. It should be noted that local shared equity housing options for leaseholders can only be offered to resident home-owners, not to absent owners or commercial landlords.

Where home-owners do not wish to pursue the shared equity option the Council will acquire their interest; they will then be in a position to utilize such receipts and compensation to make their own future housing arrangements. It is possible, but not

yet confirmed, that the appointed RSL partner may also be able to make properties available to purchase outside the area on other development schemes.

The council's Housing Regeneration and Property Services teams will liaise with the RSL partner to advise home-owners of their options, recognizing that acquisition by negotiation remains a priority alongside the precautionary CPO process. The Council will need in the final resort where it has not succeeded in negotiating a voluntary re-acquisition of leasehold interests to utilise powers to be sought through Compulsory Purchase.

### Phasing of Decants

The scheme will be delivered in phases, with early new build providing sufficient new homes to rehouse tenants and resident leaseholders from RHG (West), Nos 1-104, into new build Phases 1A and 1B. Depending on the bidder proposal accepted, residents from Woolmore Street, Anderson House and potentially Mackrow Walk low rise blocks, may also be included in the first decant phase.

Secure tenants in RHG (East), Nos 105-214, would be given priority for rehousing to new homes in Phase 1A and 1B, where take up from RHG (West) and the low-rise homes (potentially), is less than 100% to move locally.

It is otherwise anticipated that RHG (East) secure tenants will be offered rehousing in Phase 2 of the development.

Secure tenanted households not wishing to remain as tenants in the new RSL scheme, and registering as such, will be awarded decant priority to bid for decant council or RSL properties elsewhere in Tower Hamlets, as described above. Greater priority will initially be awarded to Robin Hood Gardens West (and Woolmore Street, Anderson House and potentially to Mackrow Walk).

The first phase of decant will include up to 107 tenants and 24 home-owners (leaseholders and freeholders).

The second phase of decants will include up to 93 tenants and 11 home-owners, though some may be allocated places in the first phase if new homes on-site are not fully taken up.

The table below shows how the current number of secure tenanted and home-owner properties is broken down:

<b>Block Name</b>	<b>No of Units</b>	<b>Vacant*</b>
Anderson House	22 (16 LBTH/5 private)	1
Mackrow Walk	15 (5 LBTH/4 private)	2
Woolmore Street	5 (2 LBTH/1 private)	2
Robin Hood Gardens (W Block – Nos 1-104)	104 (84 LBTH/13 private)	7
Robin Hood Gardens (E Block – Nos 105-214)	110 (93 LBTH/11 private)	6
<b>Total</b>	<b>252 (200 LBTH/34 private)</b>	<b>18</b>

## **Costs of Decant**

Costs at this time are projected, based on statutory home loss payments for tenants and owners, approximate compensation for disturbance, and aggregated market values and anticipated legal costs for home owners.

The first phase of the decant will cost in the region of £6.189m and the second phase will cost approximately £3.209m. It is expected that security costs will be minimized by the sequential rolling decant and the one-off nature of the decant process – ie by many people remaining in their current homes until their new homes are ready.

Other land assembly costs falling to the council, but not itemized here, include provision for the surgery (which is to be re-provided).