

Appendix C: The Key Guarantees

The Key Guarantees for resident homeowners

Homes for Lambeth and Lambeth Council are committed to rebuilding a number of estates to provide the better homes existing residents need, and more new homes to help tackle Lambeth's housing crisis.

No one underestimates the potential distress that rebuilding an estate could cause to the people living there. The Key Guarantees are an important part of this as they set out what secure tenants and homeowners on estates which we are rebuilding can expect from Homes for Lambeth and Lambeth Council. The Key Guarantees were developed in partnership with residents and independent organisations - following a formal consultation they were formally adopted as official policy by Lambeth Council's cabinet and Homes for Lambeth.

Guarantee 1

If you, as a resident homeowner, wish to continue to live on your new estate, you will be given the opportunity to do so. You will be offered a range of options depending on your personal financial circumstances. If none of these options are adequate to enable you to continue living on your estate, the council will explore other options with you. (This Guarantee does not apply to non-resident homeowners.)

Existing residents living on estate regeneration estates have priority for the newly built homes. The newly built homes will have a higher market value than existing homes. The council has identified various ways in which you can obtain full or partial ownership of one of these new homes and thereby remain living on your estate. You have the following options.

A: Leasehold – buying a new home outright

B: Zero Rent Shared Ownership - buying a shared ownership new home – where your existing mortgage can continue or a new mortgage can be obtained

C: With Rent Shared Ownership - buying a shared ownership new home – where your existing mortgage cannot continue nor can a sufficient new mortgage be obtained

D: Other options - where home ownership is no longer a feasible option the council will explore other options with you, including a rented home on the rebuilt estate

For all these options, Guarantee 3 applies.

A: Leasehold - buying a new home outright.

You would be able to swap the value of your existing home together with your home loss payment into a newly built home and then make an additional lump sum payment so that you can own the new home outright (100%).

Criteria:

- You would have to put the full value of your existing property together with your home loss payment into the new property
- You would have to make up the difference to the value of the new property with a lump sum contribution

- You would have to pay 100% of service charges
- If you wish to downsize to a smaller home and the value of your existing home plus home loss payment turns out to be of higher value than your new home, then the council will pay you the difference in value
- If available, you could potentially acquire a larger home than your current home
- You would have to make your own mortgage arrangements current home
- You would have a lease of 125 years

B: Zero Rent Shared Ownership. Buying a shared ownership new home – where your existing mortgage can continue or a new mortgage can be obtained.

You would be able to swap the value of your existing home, together with your home loss payment, into a newly built home with the same number of bedrooms or fewer –i.e. 110% of your existing property’s value. You would obtain an equivalent value share in the new home and be able to live in it without making any additional lump sum payment. The remaining share in the property would be retained by Homes for Lambeth; you would not have to pay any rent for the share owned by Homes for Lambeth.

Criteria:

- You would have to put the full value of your existing property together mortgage arrangements to secure a with your home loss payment into the new property
- Your share of the home would be a percentage of the total value of the home
- You would have a shared ownership lease with zero rent
- You would have a shared ownership lease of 125 years
- You would have to make your own mortgage arrangements to secure a mortgage of at least the size of your current mortgage
- You would have the ability to “staircase” – to buy additional percentage shares of your new home up to 100%
- You would have to pay 100% of service charges

Under option B you have to be able to put the full market value of your existing property (regardless of whether you have any mortgage or not) plus your home loss payment into the new home.

C: With Rent Shared Ownership. Buying a shared ownership new home – where your existing mortgage cannot continue nor can a sufficient new mortgage be obtained.

You would be able to swap the value of your existing home (minus your current outstanding mortgage obligations) together with your home loss payment, into a newly built home with the same number of bedrooms or fewer. You would obtain an equivalent value share of the new home and be able to live in it without making any additional lump sum payment. The remaining share of the property would be retained by Homes for Lambeth. You would have to pay rent for the share owned by Homes for Lambeth to cover the cost to Homes for Lambeth for acting as a lender of last resort.

Criteria:

- You would need to notify the Housing Regeneration team that you are unlikely to be able to obtain a new mortgage
- You would be put in touch with an independent financial adviser, who specialises in the affordable housing market, who would explore your options to identify whether there are any other mortgage providers who may be able to assist

If you are unable to secure a mortgage:

- You would need to notify the Housing Regeneration team that you are unable to obtain a new mortgage
- You would have to put the full value of your existing property minus your current remaining mortgage together with your home loss payment into the new property
- Your share of the home would be a percentage of the total value of the home
- You would have to pay a rent for the share retained by Homes for Lambeth, where that rent would be determined on the basis of the cost to Homes for Lambeth for repaying your current existing mortgage and acting as lender of last resort; the rent would be converted into a percentage of the value of the share of the property owned by Homes for Lambeth, up to 2.75%; this would be calculated on the basis of the interest only cost to Homes for Lambeth
- We would expect that the share of the property that you retain would probably be more than 25%
- You would have the ability to “staircase” – to buy additional percentage shares of your new home up to 100%
- You would have to pay 100% of service charges
- You would have a shared ownership lease of 125 years

Under option C you have to be able to put the full market value of your existing property minus your current mortgage plus your home loss payment into the new homes and will pay rent to the council.

D: Other options. Where none of options A to C are feasible then the council will explore with you the best option available to enable you to move into a newly built home on your estate.

The following process will be applied:

- You would need to notify the Housing Regeneration team that you are unlikely to be able to obtain a new mortgage
- You would be put in touch with an independent financial adviser, who specialises in the affordable housing market, who would explore your options to identify whether there are any other mortgage providers who may be able to assist. If no mortgages are available and you are unable to pay the rent proposed by Homes for Lambeth, then we will work with you to identify what choices you could afford with a view to enable you to remain living on your estate; this could be renting a new home at a level set according to what you can afford

Are you a “resident” or “non-resident”?

You are understood by the council to be a resident if, at the point in time when you wish to or have to move home,

- you have already been living in your home on your estate for more than a year and can prove that your home on your estate is your primary place of residence; and
- you are living in your home on your estate as your primary place of residence at the time that the council either makes a compulsory purchase order for your estate or submits a planning application for a masterplan for your estate (whichever is earlier) and you remain living on the estate until you have to move home.

Local lettings policies will be developed in collaboration with residents on each estate. These policies will define the criteria by which new homes will be allocated and made available to

different categories of residents on the estate. Current non- resident homeowners need to be aware that it is probable that length of residency on the estate is likely to be a criterion that will inform the prioritisation process for allocation of new homes.

Guarantee 2

If you, as a homeowner, do not wish to live in a home on the newly built estate, you will have to sell your home to the council for market value (plus home loss compensation) after an independent valuation and make your own new housing arrangements. (This Guarantee is the only option available to non-resident homeowners.)

- The council will seek to reach agreement with you on the value of your home
- The council is progressing an early buy backprogramme, so that if you need to move early you can do so
- If you wish to sell your home to the council and do so early in the programme of redeveloping an estate, then the council will work to your preferred timescales

Guarantee 3

The valuation of your property will be independent and based on market values and you will be compensated for having to move home.

Valuations:

- The valuation will be carried out by a RICS Registered Valuer with experience of the local housing market
- The valuation will be undertaken on the basis of including two special assumptions: (1) all valuations on behalf of the council will be done as if no regeneration is taking place, so that the value is not made lower or higher by the regeneration proposals; and (2) the valuations will be done on the assumption that the structure and fabric of the property is in good condition
- The valuation will take account of historic and current sales and purchases in the surrounding area and similar council estates in London
- The valuation will take account of whether the property is leasehold or freehold
- You will be able to engage your own independent RICS Registered Valuer with experience of the local housing market to advise you on the value of your home. The reasonable cost of engaging this valuer will be reimbursed by the Council
- You will be required to employ your own solicitor for the transaction and their reasonable costs will also be paid by the council
- The council does not expect homeowners to have to pay back any Right to Buy discount
- Where you have made permitted improvements to your home, then this will be reflected in the value of your home and you will therefore be compensated for such works

Details on how you can claim disturbance costs and what disturbance costs you are eligible for are provided in separate leaflets.

Compensation and Disturbance:

- There are two types of compensation: home/basic loss and disturbance. Home loss is available to resident homeowners and is 10% of the value of your property,

whereas basic loss is available to non-resident homeowners and is set at 7.5% of the value of your property.

- Disturbance payments are also made to cover any costs that you might incur as a consequence of having to move home. Full details of how disturbance payments are calculated and processed will be provided in separate documentation
- If you, as a resident homeowner, choose to stay on your current estate, but are required to move twice because of the rebuilding (or choose to move twice), then you will receive disturbance payments for both moves. However, you will only receive one home loss payment, paid on the first move.
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Guarantee 4

The council will provide you with help to enable your move, with additional support offered to you if you have special needs or a disability.

Subject to individual circumstances, this additional support can include:

- Assistance will be given with the property transaction and moving home if required, including (for example) how to find alternative properties, dealing with estate agents, etc
- The council will pay for re-routing of post for up to 12 months after you move
- The council will provide reasonable advice, information and support you in seeking rehousing within the UK
- Additional support will be offered during the move if you have special needs or disabilities; such support may include packing and unpacking services at the time of the move and liaising with other agencies such as social services
- Special support will be provided if you are vulnerable or have special needs; we will work with you and professional advisers to identify what support you may need

Guarantee 5

The council will provide you with advice and information to help you make informed decisions about your future housing.

This will include:

- An Independent Adviser will be available through the life of the regeneration project
- Maintaining communication with you throughout the life of the regeneration project on matters such as the regeneration process and how it will affect you
- Information on indicative values for existing properties and new build properties
- A market valuation and advice on where to find independent valuation advice
- Contact details will be provided for specialist financial advisers who have experience in the affordable housing mortgage market

Guarantee 6

If you choose to stay on your current estate, you will be able to get involved in the design of the new homes and the estate as a whole and influence decisions around the phasing of building new homes and the construction works.

The council will:

- Give you the opportunity to get involved in the design process and make it clear to you the way in which you can influence the design of the new homes and the estate
- Provide choices to you on fixtures and fittings to be included in your new home;
- Involve you in considering how to minimise disruption
- Work with you to explore how the new design for the estate can help to keep service charges for the new homes low for residents

Guarantee 7

If you choose to stay living on your estate and if you require adaptations because you have a disability (or a member of your household has) you will be able to have these adaptations made to your new home.

- Where possible, the council will ensure that aids and adaptations that you may require will be carried out before you move into your new home. Any necessary adaptations will be carried out in consultation with you and relevant professionals
- An occupational therapist assessment will be required to identify what aids and adaptations should be provided in your new home and these will be carried out without any charge to you. Wherever possible, these will be carried out before you move into your new home
- This only applies if you are remaining on the estate and moving into a newly built leasehold or shared ownership property
- The council will work with you to explore the best housing solution for you, which will include consideration of supported living options like extra care or sheltered housing

The Key Guarantees for secure tenants

Homes for Lambeth and Lambeth Council are committed to rebuilding a number of estates to provide the better homes existing residents need, and more new homes to help tackle Lambeth's housing crisis.

No one underestimates the potential distress that rebuilding an estate could cause to the people living there. The Key Guarantees are an important part of this as they set out what secure tenants and homeowners on estates which we are rebuilding can expect from Homes for Lambeth and Lambeth Council. The Key Guarantees were developed in partnership with residents and independent organisations - following a formal consultation they were formally adopted as official policy by Lambeth Council's cabinet and Homes for Lambeth.

Guarantee 1

If you need to be rehoused during the rebuilding of your estate, you will either be able to remain on your estate or take 'Band A' status to move to another council or housing association home in Lambeth.

Existing residents living on estate regeneration estates have priority for the newly built homes.

You have the following options:

A: To move to a newly built home on your estate with an assured lifetime tenancy as a tenant of Homes for Lambeth.

B: To move to an existing home on your estate with a secure tenancy as a tenant of the council (this option only exists where some homes are being retained on your estate and a suitable home meeting your housing need becomes available).

C: To bid for an alternative home elsewhere in the borough through the Choice Based Lettings scheme with the high priority (Band A). Through the Choice Based Lettings system, you can bid for both council and housing association homes in Lambeth; if you move to another council home, you retain your secure tenancy.

D: To ask the council to provide advice and, if possible, assistance to move to another home outside of Lambeth. Note, however, that you would not have any priority status for rehousing with any other council.

If you move into another home in Lambeth, you can choose to retain an option to return to your original estate in a newly built home with an assured lifetime tenancy, if a suitable newly built home becomes available. If you wish to retain an option to return, then you can apply for this at the time that you move. You will then be notified what homes are available on the estate at the end of the regeneration process (or, if new homes are available, at the end of each phase of the rebuilding of an estate) before these homes are offered to those on the housing waiting list.

Guarantee 2

You will be able to move into a home that meets your housing needs. If applicable, your newly built home will be designed to meet your disability requirements.

For options A, B and C, this will mean that:

- If you are overcrowded, you will be offered a home of the size you need in accordance with the Lambeth Housing Allocation Scheme (2013)
- If you are under-occupying, you will be offered a new home with one bedroom more than your need as defined by the Lambeth Housing Allocation Scheme (2013), or you can choose to take a smaller home that meets your housing need. Note that if you have more rooms than you need as defined by the Lambeth Housing Allocation Scheme (2013), then you may be liable to the 'bedroom tax'.
- Under the Lambeth Housing Allocation Scheme (2013), adult children would not normally be classified as part of the household. However, under Guarantee 2 and as an exception to the Allocation Scheme, provided that any adult children living with you are registered as part of your household and are still living in your home, then we will deem those adult children to be part of your household for the purposes of determining your housing need

For newly built homes on an estate (option A), the guarantee to meet your disability needs will mean that:

- The council will ensure that aids and adaptations that you may require will be carried out before you move into your new home. Any necessary adaptations will be carried out in consultation with you and with relevant professionals

The council will work with each of you to explore the best housing solution for you, which could include consideration of supported living like sheltered housing or extra care.

Guarantee 3

Your rent, as an assured lifetime tenant living in a newly built Homes for Lambeth home, will be set in the same way as council rents. If you have to pay a higher rent as a result of moving to a newly built home, then that rent increase will be phased in over a five year period.

Guarantee 4

You will be compensated for having to move. A home loss payment will be paid to you, plus reasonable disturbance costs.

Compensation will be determined as follows:

- The amount of the home loss payment will be automatically updated each time it is changed by the Government. At the time of printing (May 2017), the home loss payment is £5,800
- In exceptional circumstances part of the home loss payment can be paid to you before your move to allow that move to take place. This payment could be up to £1,000 and your final home loss payment would be reduced by the amount paid in advance Full details of how disturbance payments are calculated and processed will be provided in separate documentation
- Full details of how disturbance payments are calculated and processed will be provided in separate documentation
- Where you opt or are required to move twice, then you will receive disturbance payments for both moves

- Where you are required to move twice AND you have to live in a temporary home for longer than 12 months you will receive two home loss payments if second home has to be demolished. The second home loss payment will not be made if you are offered a suitable permanent home but then choose to move a second time to an alternative home. Disturbance allowance will still be paid for each move
- You can be reimbursed for having made improvements to your home, but only where you have done so with documented permission from the council and where you can demonstrate the cost of those improvements

Details on how you can claim disturbance costs and what disturbance costs you are eligible for are provided in separate leaflets.

Guarantee 5

The council will provide you with help to enable your move, with additional support offered to you if you have special needs or a disability.

Subject to individual circumstances this additional support could include:

- Assessing the suitability of a new home prior to making an offer
- Pay for re-routing of post for up to 12 months after you move
- Packing and unpacking services at the time of the move
- Help in claiming Housing and Council Tax benefits at the new address
- Liaising with other agencies such as social services
- Special support for vulnerable persons

The council will work with tenants on the best way to provide this support and what other support may be required.

Guarantee 6

The council will provide you with advice and information to help you make informed decisions about your future housing.

This will include:

- An Independent Adviser available through the life of the regeneration project
- Maintaining communication with you throughout the life of the regeneration project on matters such as the regeneration process and how it will affect you
- Advice and support to you, if you choose to seek rehousing either elsewhere in Lambeth or outside the borough

Guarantee 7

If you choose to stay on your current estate, you will be able to get involved in the design of the new homes and the estate as a whole and influence decisions around the phasing of building new homes and the construction works.

The council will:

- Give you the opportunity to get involved in the design process and be clear what you can and cannot

- influence in the design of the new homes and the estate provide choices on fixtures and fittings in your new home
- Involve you in considering how to minimise disruption during the redevelopment process
- Work with you to explore how the new design for the estate can help to keep service charges for the new homes low