

HIGH ROAD WEST LOVE LANE LEASEHOLDER OFFER

Consultation Questions

February 2021

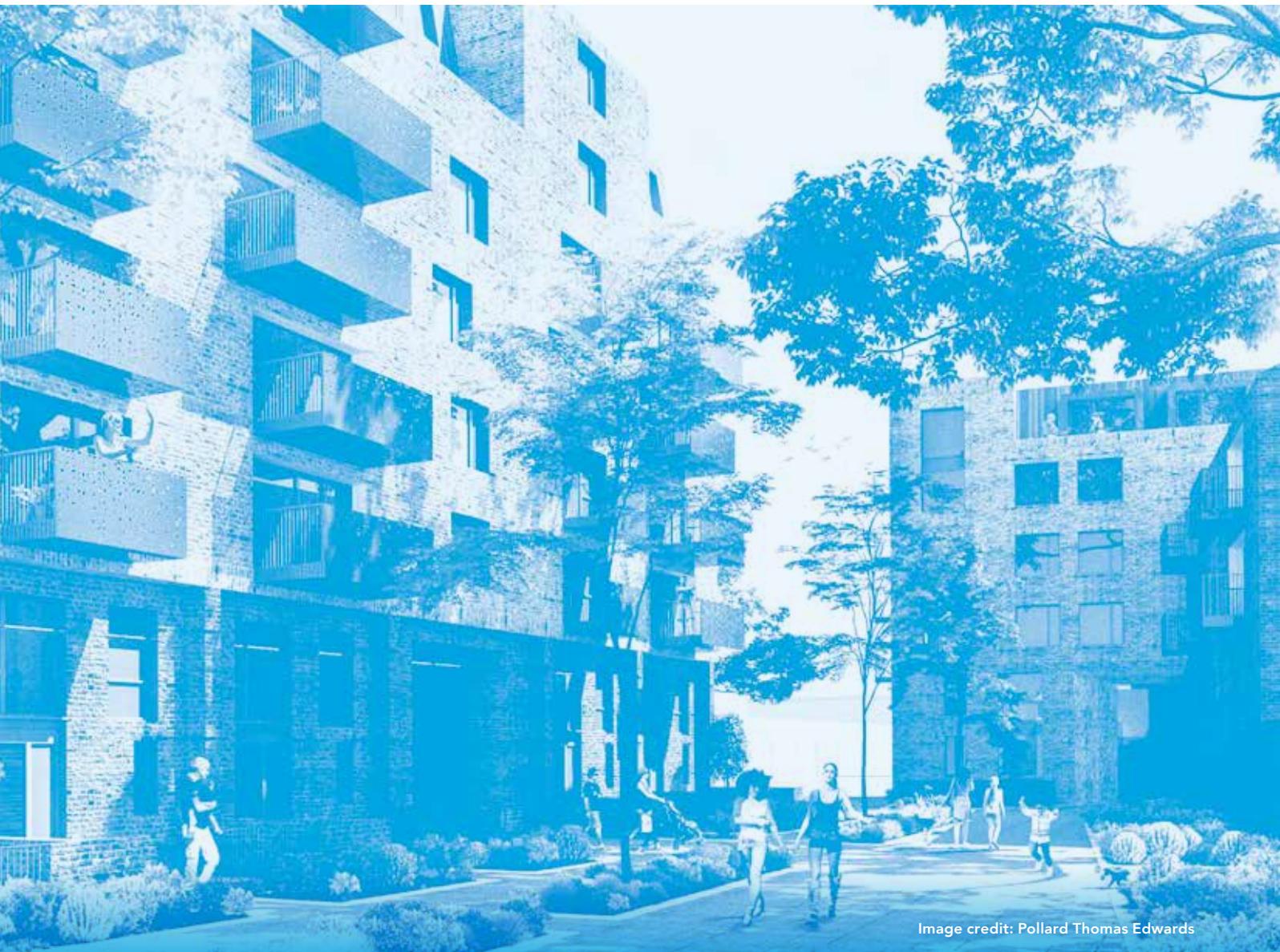


Image credit: Pollard Thomas Edwards

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SECTION 1 INTRODUCTION

The Love Lane Leaseholder Offer is a draft policy which sets out the Council's proposed commitments to leaseholders living on the Love Lane Estate who are affected by the High Road West scheme.

The Leaseholder Offer builds on the High Road West Leaseholder Guide, which was subject to public consultation and agreed by Cabinet in 2014. It has been developed in response to feedback received in previous rounds of consultation and engagement with leaseholders since that time.

The Leaseholder Offer is based on the Estate Renewal Rehousing and Payments Policy 2017 (ERRPP), however it includes some key differences. The Council is proposing to improve on the commitments set out in the Leaseholder Guide, and is seeking to address concerns which leaseholders have raised since then, such as affordability, the desire to stay within their community, and transparency in the valuation process.



Our consultation

We are seeking the views of leaseholders of Love Lane Estate on this draft policy. Your feedback is important and will be considered carefully before the final offer is produced. Please help us by answering as many of these questions as you can.

This consultation booklet will consider the sections of the draft Love Lane Leaseholder Offer in turn, **with specific questions around the proposed changes and enhancements to the ERRPP**. You will also be able to give any other comments you have on each section, as well as the overall policy.

Before giving your responses to this consultation, please read:

- The draft Leaseholder Offer which is the subject of this consultation, a copy of which is enclosed
- The accompanying letter which sets out how this consultation relates to the proposed ballot of Love Lane residents

If you wish to read the ERRPP, it can be found at the following link:

www.haringey.gov.uk/housing/housing-strategies-policies-and-plans/estate-renewal-re-housing-and-payments-policy

If you would like help with understanding the draft policy or the consultation please contact your engagement officer, Lauren Schneider at lauren.schnieder@haringey.gov.uk or **07816 151961**.

You can also contact the Love Lane Independent Tenant and Leaseholder Advisor: 'Microfish' (led by Damian Tissier) at damiantissier@gmail.com at **07931 795526**.

You can also obtain independent financial advice, if you like to understand further what the rehousing options set out in this offer mean for you. The independent financial advisor can advise on how much you can afford to contribute towards a new home, including the mortgage you can afford, and can help you access a mortgage.

The Council will provide you with a list of suggested independent financial advisors with specialism in affordable homeownership, or you can choose another if you wish. Reasonable costs associated with this will be reimbursed by the Council.

Thank you for completing this questionnaire.

Please return your completed booklet by posting it using the envelope provided. There is no need to provide a stamp, postage is already paid.

Please also note that if you would like to comment on the draft Equalities Impact Assessment you can contact the team using the details within the 'Have your say' section of the 'Consultation Information Leaflet'.

What changes are proposed to the ERRPP?

Summary of changes and enhancements to the ERRPP

Definition of a resident leaseholder

The Leaseholder Offer has a different definition of resident leaseholder to the ERRPP for the purposes of eligibility for rehousing options. The definition within the Leaseholder Offer reflects the Leaseholder Guide definition.

Rehousing for resident leaseholders

Additional rehousing commitments: The Leaseholder Offer has additional rehousing commitments for resident leaseholders on the Love Lane Estate:

1. Enhanced equity loan terms, including:
 - A reduction to 25% minimum contribution to buy a new home within the High Road West scheme area
 - A 12-month grace period for family members / beneficiaries in the event of the death of the leaseholder
2. Leasehold swap (subject to availability of a suitable home)

Please note: The ERRPP also has an option to acquire a new shared ownership home. Whilst this option is available to Love Lane resident leaseholders, the more affordable enhanced equity loan option within the Leaseholder Offer will mean that shared ownership is unlikely to be the preferred option.

Valuation process for resident and non-resident leaseholders

Option to appoint an independent single joint expert if an agreement cannot be reached on the valuation:

The Leaseholder Offer proposes that the parties can jointly appoint a single joint expert (a third valuer) who will help them to reach an agreement. Reasonable costs will be covered by the Council.

Payments for resident and non-resident leaseholders

Additional payment commitment:

The Leaseholder Offer has an additional commitment to give 'Decent Homes' reimbursements.



Image credit: Pollard Thomas Edwards

Previous leaseholder feedback

It has not been possible to incorporate all the ideas previously proposed by leaseholders. Some of these are described below:

- i. The Council should make up the difference in value between existing and new homes to resident leaseholders;
- ii. The Council should allow the leaseholder, upon their death, to pass on a property with an equity share arrangement to whoever they wished with no requirement for the equity share to be paid back; and
- iii. For the Home Loss Payment to be excluded from any requirement to invest equity into a new home on the development.

The Council does not support the above proposals as these would all impact on the funds available in its Housing Revenue Account (HRA), which is used to deliver and maintain Council housing.

The Council has to strike a balance between providing support to existing leaseholders and funding other housing within the borough including for the borough's most vulnerable residents. In the Council's view, pursuing any of the above proposals would unacceptably compromise the ability of the Council to provide housing across the rest of the borough to an acceptable standard. This would not be fair to residents living in Council properties elsewhere in Haringey or to those waiting on the housing register for the offer of a secure home on a Council tenancy.

Please note: The Council's Housing Revenue Account (HRA) is the account where the Council holds tenants' rent and is used to maintain all the Council's housing stock as well as buying new Council homes.

SECTION 2

DEFINITION OF A RESIDENT LEASEHOLDER

Please read page 5 in the draft Leaseholder Offer before answering the questions in this section.

Proposal: Definition of resident leaseholder

The Council is proposing to use the following definition of a resident leaseholder for the purposes of the rehousing options in section 2 of the Leaseholder Offer:

A leaseholder who lives in their property continuously from 16th December 2014, when the High Road West masterplan was agreed, up until the date they need to move out for their property to be demolished.

The definition of resident leaseholder for the purposes of statutory payments remains as set out in law and will not change.

For more information on this proposal please see page 5 in the draft Leaseholder Offer.

Why is the Council proposing this change?

This definition is being proposed to ensure that the rehousing options in the Leaseholder Offer are available to long-term residents on the Love Lane Estate and do not benefit buy-to-let landlords.

Under the ERRPP, a “resident leaseholder” is defined as a leaseholder who has lived in the dwelling for at least one year ending with the day they have to move out. Using this definition would enable buy-to-let landlords to move into a Love Lane property in response to the publication of the masterplan or further details of the development proposals, in order to secure the benefit of the rehousing options in section 2 of the Leaseholder Offer. Funding these options requires the use of public funds available for Council housing.

The Council’s aim is to ensure that the existing local community can be kept together, not to allow buy-to-let landlords to profit from the High Road West Leaseholder Offer at the expense of funding other housing within the borough. Most resident leaseholders currently living in the masterplan area would come under the proposed definition.

What are the alternative options?

The Council could use the ERRPP definition of a resident leaseholder for the purposes of the rehousing options in section 2 of the Leaseholder Offer. However, as noted above, this would go beyond the Council’s aim, which is to ensure that the existing community can be kept together. Furthermore, by increasing the number of people considered as a resident leaseholder, the cost to the Council would be significantly greater, particularly because of the enhanced terms being offered for Love Lane residents. In the Council’s view, this additional cost would not be a reasonable use of public housing funds. The Council has to strike a balance between providing support to existing leaseholders and funding other housing within the borough. In the Council’s view, extending the benefit of the rehousing options in this way would not be fair to other residents in Council properties elsewhere in Haringey or to those waiting on the housing register for the allocation of a Council tenancy.

SECTION 3

REHOUSING FOR RESIDENT LEASEHOLDERS

Please read page 8 in the draft Leaseholder Offer before answering the questions in this section.

Proposal: Enhanced equity loan terms – Minimum contribution

The Council is proposing to enhance the equity loan terms in the ERRPP to allow as many resident leaseholders as possible to have access to a new home within the regeneration area.

The ERRPP sets the minimum amount that leaseholders have to be able to contribute to the value of their new home at 60%. Under the Love Lane Leaseholder Offer this minimum amount is reduced to 25%, with a substantially greater proportion of the cost potentially being contributed by the Council. The requirement that leaseholders must contribute the same amount as they receive for the market value of their existing property plus their Home Loss Payment remains.

For more information on this proposal please see page 8 in the draft policy.

Why is the Council proposing this?

Through engagement with leaseholders it has become clear that affordability is a key concern. Leaseholders were worried that they would not be able to acquire a new home in the regeneration area as they would not be able to afford the 60% equity threshold required under the ERRPP.

The Council's proposal seeks to ensure that leaseholders' concerns about affordability are addressed. It lowers the minimum equity threshold that resident leaseholders are required to contribute from 60% to 25%. This means that older resident leaseholders, who can no longer access a mortgage, or resident leaseholders who have had a change in financial circumstances, can acquire a new home, provided that they can contribute at least 25% of the value of the home.

What are the alternative options?

The Council could require that leaseholders contribute 60% of the value of their new homes, as set out in the ERRPP. However, this would not address Love Lane resident leaseholders'

concerns about what leaseholders can afford. The Council could also lower the minimum equity stake still further, but this would have an adverse impact on public housing funds. In the Council's view, the minimum contribution of 25% strikes the right balance and will mean that it is unlikely that any Love Lane residents would not be able to afford to secure a new home. In exceptional circumstances where a leaseholder cannot contribute at least 25% of the value, an assessment will be made on individual circumstance to find the most appropriate way of enabling the leaseholder to stay in the area.

Another option for the enhanced equity loan offer would be to gift the Council's equity to leaseholders either immediately, or after a number of years. This would mean that leaseholders would be given the Council's share for free, and would not give this back when the property is sold or transferred to another person.

Or, the council could remove the requirement that Love Lane leaseholders contribute the same amount as they receive for the market value of their existing property plus their Home Loss Payment to the purchase of the new property. Both of these options would result in a significant amount of funds being required from the HRA, and would reduce the amount available for the Council to fund repairs and maintenance of Council stock and for acquiring new Council owned homes that our most vulnerable residents need.

By making an interest-free equity loan, the Council is enabling residents to live in a higher value property than they previously owned. It is reasonable that they should be required to contribute these elements of their compensation to avoid a greater impact on public housing funds.

Proposal: Enhanced equity loan terms – Passing on the equity loan

The ERRPP requires an equity loan to be repaid in full on the death of the leaseholder except where there is a surviving resident spouse, civil partner or partner, who can inherit the equity loan arrangement.

The Love Lane Leaseholder Offer recognises that there may be some leaseholders who have an adult child or another family member living with them in the property, who is not entitled to inherit the equity loan arrangement. This Leaseholder Offer gives an adult child or other family member who was living with the leaseholder 12 months to decide whether to sell the property and use the proceeds to find alternative accommodation or to pay off the equity loan (e.g. by obtaining a mortgage for that amount) and retain the leasehold property.

For more information on this proposal please see page 9 in the draft policy.

Why is the Council proposing this?

The Love Lane Leaseholder Offer seeks to address leaseholders' concerns about adult children who are beneficiaries under the leaseholder's will and are living in the property. These concerns relate to adult children being forced to sell the property and losing their home immediately after the leaseholder's death. By allowing the leaseholder's adult child to have a 12 month grace period to make a decision as to whether to pay off the Council's equity loan and continue to live in the property, or sell the property and use the proceeds to move elsewhere, the Council is offering to the leaseholder's children a period of time to consider their options properly and to investigate obtaining a mortgage.

What are the alternative options?

The Council could enable the equity loan arrangement to be transferred to children or another beneficiary under the leaseholder's will, to enable them to live there for their lifetime. However, the Council believes that using public funds to allow persons other than the leaseholder and any spouse, civil partner or partner living with them to benefit from a subsidised property in the borough for many more years is not a prudent use of HRA funds. This would tie up a substantial amount of public housing funds for many years, which otherwise could be used for other Council housing. The Council's approach is aimed at striking a fair balance and ensuring that scarce public resources are targeted at those who need them most.

Question 2b:

Do you agree with the proposal to provide a 12-month grace period to the leaseholder's adult child/beneficiary to decide what to do with their home?

Do you have any other comments about passing on the equity loan?

Question 3:

Do you have any other comments around the equity loan offer?

Proposal: The option to complete a leasehold swap

The Council is proposing an enhancement for Love Lane resident leaseholders that is not in the ERRPP. This is the option to swap your property for an existing Council property elsewhere in the borough, subject to availability.

For more information on this proposal please see page 11 in the draft policy.

Why is the Council proposing this?

This proposal was made to Love Lane leaseholders in the Leaseholder Guide as part of the Council's commitment to support leaseholders into new homes and not leave leaseholders financially worse off.

This option has limitations as regards the availability of suitable properties as the Council can only offer this option for existing Council-owned properties of equivalent size and value (allowing for reasonable variation in the valuations of the two properties). However, it may provide an attractive option for some leaseholders, particularly those who would prioritise being able to pass on the property to adult children or other beneficiaries under their will.

What are the alternative options?

The Council could choose not to offer this option as it does not exist in the ERRPP, however the Council indicated in the Leaseholder Guide that it would seek to make this option available.

Question 4:

Do you agree with the proposal to provide the option of a leasehold swap?

Do you have any other comments about the leasehold swap?

Question 5:

Do you have any other comments regarding the proposed re-housing options for resident leaseholders as set out in pages 13-16 of the draft Leaseholder Offer?

SECTION 4

VALUATION PROCESS FOR RESIDENT AND NON-RESIDENT LEASEHOLDERS

Please read page 12 in the draft Leaseholder Offer before answering the questions in this section.

Proposal: Option to appoint an independent single joint expert if an agreement cannot be reached on the valuation

It is proposed that if the Council's valuer and your valuer cannot reach agreement on the value of your existing property, then the parties can appoint a single joint expert (a third valuer). The single joint expert would be jointly appointed, with reasonable costs covered by the Council, and help the two parties to reach an agreement.

For more information on this proposal please see page 12 in the draft policy.

Why is the Council proposing this?

Feedback from leaseholders highlighted the need for the Council to set out a process for dispute resolution if an agreement cannot be reached on a leasehold valuation. The ERRPP states that in this situation, the matter may be referred for dispute resolution though it does not provide details on what form this may take.

The use of a single joint expert in the first instance would provide a clear and proven means for the parties to reach mutual agreement on the leasehold valuation without needing to use a more formal procedure, such as arbitration. It is anticipated that this process would mean any disputes are resolved more quickly, allowing leaseholders to exercise their rehousing choice.

The independent single joint expert must be a member of the Royal Institute of Chartered Surveyors (RICS), and the choice of expert agreed by both sides. This is the Council's response to concerns raised by leaseholders through previous consultation regarding the transparency and accuracy of the valuation process.

What are the alternative options?

The Council could maintain the current commitment within the Leaseholder Guide to agree to third-party arbitration if there is a difference in valuations.

An arbitration process is likely to be a lengthier process than appointing a single joint expert and therefore would not expedite the ability of resident leaseholders to exercise their preferred re-housing option. The decision of an arbitrator would be binding, subject to limited grounds for appeal, whereas an opinion from a single joint expert (whilst it may be highly persuasive) is not binding.

If the single joint expert process does not result in agreement between the parties, then other forms of dispute resolution (including arbitration) would remain an option.

Question 6:

Do you agree with the proposal to appoint a single joint expert in the first instance if there is a difference in valuations between your surveyor and the Council's surveyor?

Do you have any other comments about this proposal?

Question 7:

Do you have any other comments regarding the proposed valuation process for resident and non-resident leaseholders as set out in page 12 of the draft Leaseholder Offer?

SECTION 5

PAYMENTS FOR RESIDENT AND NON-RESIDENT LEASEHOLDERS

Please read page 18 in the draft Leaseholder Offer before answering the questions in this section.'

Proposal: Decent Homes reimbursements

The Council is proposing that all Love Lane leaseholders will be able to claim for compensation for Decent Homes works carried out before the Council's Cabinet agreed the High Road West masterplan in December 2014.

For more information on this proposal please see page 18 in the draft policy.

Why is the Council proposing this?

The Council recognises that, where you have invested in Decent Homes work but not had the full benefit of the works over its intended lifespan, then the full cost should not be paid by you, if it is not reflected in the value of the property. The Council is proposing a scheme for the reimbursement of costs based on the proportion of the lifetime of the works.

What are the alternative options?

The Council could choose not to enable Love Lane leaseholders to claim for compensation for Decent Homes works carried out before the Council's Cabinet agreed the High Road West masterplan in December 2014. However, the Council recognises that the cost of Decent Homes work which had an intended lifetime of more years than you will be able to remain in your home should not be paid for by you, if it is not reflected in the value of the property.

The Council also could choose to make additional compensation commitments such as larger Home Loss or Disturbance payments. However, the levels of compensation are in line with statutory guidance and other estate regeneration schemes throughout London.

Equalities Monitoring Form

Collecting, analysing and using equality and diversity information helps us to understand how our policies and activities are affecting various sections of our communities and helps us to identify any inequalities that may need to be addressed.

We will be grateful if you could complete and return this form. The information you provide on this form will be held in the strictest confidence and only be used for the purpose stated above.

The information collected as part of this form will be processed separately from any personal information.

1. Age

Please tick one box

- | | | | |
|---------------------------------------|--------------------------------|--------------------------------------|--------------------------------|
| <input type="checkbox"/> 16 and under | <input type="checkbox"/> 17-20 | <input type="checkbox"/> 21-24 | <input type="checkbox"/> 25-29 |
| <input type="checkbox"/> 30-44 | <input type="checkbox"/> 45-59 | <input type="checkbox"/> 60-64 | <input type="checkbox"/> 65-74 |
| <input type="checkbox"/> 75-84 | <input type="checkbox"/> 85-89 | <input type="checkbox"/> 90 and over | |

2. Sex

Please tick the box that best describes you

- Male Female Prefer not to say

3. Disability

Under the Equality Act 2010, a person is considered to have a disability if she/he has a physical or mental impairment which has a substantial and long-term adverse effect on her/his ability to carry out normal day-to-day activities, which has lasted or is expected to last for at least 12 months.

Q1. Do you have any physical or mental health conditions or illnesses?

- Yes No

Q2. Has this lasted, or is it expected to last, for 12 months or more?

(Complete only if you have answered **YES** to Q1)

- Yes No

Q3. Do any of your illnesses or conditions reduce your ability to carry out day to day activities?

(Complete only if you have answered **YES** to Q2)

- Yes a lot Yes a little Not at all

4. Ethnicity

Please tick the box that best describes your ethnic group

White

- English / Welsh / Scottish / Northern Irish / British
- Irish
- Gypsy or Irish Traveller

Mixed

- White and Black African
- White and Black Caribbean
- White and Asian
- Other (please specify)

Black or Black British

- African
- Caribbean
- Other (please specify)

Continued overleaf 

White Other

- Greek/Greek Cypriot Turkish/Turkish Cypriot
 Kurdish Gypsy/Roma
 Other (please specify)

Asian or Asian British

- Indian Pakistani
 Bangladeshi Prefer not to say
 East African Asian
 Chinese
 Other (please specify)

Any other ethnic background

- Other (please specify)

5. Religion

Please tick as appropriate

- Christian Muslim Jewish Buddhist Hindu
 Sikh Rastafarian No Religion Prefer not to say
 Other (please specify):

6. Gender reassignment

Does your gender differ from your birth sex?

- Yes No Prefer not to say

7. Sexual orientation

Please tick the box that best describes your sexual orientation

- Heterosexual Bisexual Gay man Lesbian woman
 Prefer not to say Other (please specify):

8. Pregnancy and maternity

Please tick one box

Are you pregnant?

- Yes No

Have you had a baby in the last 12 months?

- Yes No

9. Marriage and Civil Partnership

Please tick the box that best describes you

- Single Married Co-habiting In a same sex civil partnership
 Separated Divorced Widowed

10. Refugees and Asylum Seekers

Are you?

- A Refugee An Asylum Seeker

What country or region are you a refugee/asylum seeker from?

11. Language

Please tick the box that best describes your language

- Albanian Arabic English French Greek
 Polish Portuguese Somali Spanish Turkish
 Other (please specify):