

## **OVERVIEW AND SCRUTINY COMMITTEE 10 MARCH 2014**

### ***COMPARISON OF DISCRETIONARY ASSISTANCE GIVEN TO RESIDENT LEASEHOLDERS***

The Schedule sets out a comparison of discretionary assistance by a selection of London councils to leaseholders where it is necessary to acquire their home from them.

These measures only apply to leaseholders that have occupied the property concerned for at least twelve months prior to purchase as their only or principal home.

These assistance measures are in addition to the statutory entitlement of the leaseholders concerned namely:

- Market Value
- Home Loss 10% of market value
- Disturbance
- Legal fees
- Surveyor fees.

The table shows Southwark is in the only Council that does not have a policy of offering shared equity products for displaced leaseholders. This is recognised and a full report will shortly be made to Cabinet recommending that this product be available for occupying leaseholders that are to be displaced.

Some Councils offer equivalent exchange whereby a leaseholder swaps his/her property for another of the same value. This has been considered but the properties being regenerated in this Borough tend to be at the lowest level of the value scale. There are unlikely to be similar equivalents that aren't part of regeneration schemes so such an offer would be hollow.

In the draft policy for the Earls Court regeneration Hammersmith and Fulham propose to allow leaseholders that enter into early agreements to sell their homes to receive a 10% discount on the purchase of a new replacement home built as part of the regeneration. Such an initiative will be at a cost to the Council either in terms of a direct subsidy to leaseholders or a reduced offer for the land being sold. It should also be mentioned the affordable housing under this regeneration is 20% of the total new homes being built which enables more money to be made available for the initiative. Should that Borough take forward this policy it will be monitored in terms of its success in bringing forward early agreements, costs and potential issues (i.e. what happens if the value of the new property falls between the leaseholder committing and the property being constructed).

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Authority	LB Southwark	LB Newham	LB Hackney	LB Hammersmith & Fulham	City of Westminster	LB Camden
Scheme	General Regeneration schemes	Canning Town and Custom House	Woodberry Down	Earls Court	General housing regen schemes	Bacton Low Rise
Source document	Leaseholder Toolkit	Regeneration Programme Residents' Charter 2011	Leaseholder Options April 2012	Draft Principles for consultation	Draft Policy Jan 2013	Step-By-Step Guide: Lease Buy Back (updated June 2013)
Shared ownership	Yes	No	Yes	Yes	Yes	No
Shared equity	No but under consideration	Yes	Yes	Yes	Yes	Yes
Secure tenancy	Subject to qualification	Not covered	Where vulnerable	To satisfy housing need obligations	In exceptional circumstances	No
Equivalent exchange	No	Where available	Where available	Can be explored	No	Where available
Early agreement 10% discount	No	No	No	To purchase replacement home in regeneration	No	No