

## ABERDEEN CITY COUNCIL

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COMMITTEE	HOUSING AND ENVIRONMENT
DATE	26 AUGUST 2014
DIRECTOR	PETE LEONARD
TITLE OF REPORT	POLICY AMENDMENTS – HAUDAGAIN IMPROVEMENT SCHEME
REPORT NUMBER:	H&E/14/053

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### 1. PURPOSE OF REPORT

This report provides members with information on proposals to ensure the timeous re-housing of tenants whose homes will be affected by the Haudagain Improvement Scheme. This includes changes to our allocation policy, clarification on rent management and details on Homeloss and Disturbance payments.

### 2. RECOMMENDATION(S)

That committee approves the following:-

- The provision of payments equivalent to a Home Loss Payment and Disturbance Payments to tenants whose homes are required for the Haudagain Improvement Scheme when they move with immediate effect.
- In order to alleviate the issues around mixing of sexes and further future rehousing it is proposed that where mixing of sexes occurs we would offer the household larger accommodation if the eldest child has reached the age of 5.
- “Grants in the first instance to the Director of Housing and Environment and subsequently the Head of Service for Housing and Community Safety delegated powers to provide tenants whose homes are required for the Haudagain Improvement Scheme an appropriate level of priority within the housing lists and flexibility in terms of areas of choice, house sizes and number of offers.”

- Notes that with immediate effect, all void properties across the city will initially be offered to appropriate tenants whose homes are being acquired for the Haudagain Improvement Scheme.
- All affected applicants will be placed on the Urgent List and provided with the highest priority and further prioritized by the length of their current tenancy.

### 3. FINANCIAL IMPLICATIONS

The payment of £1,500 as an equivalent to a Home Loss Payment (HLP) when tenants move will cost the Housing Revenue Account in the region of £174,000 for the 116 Tenancies currently required. This figure is approximate and may change when the final design is completed.

In terms of Disturbance Payments (DP), we have been advised by Asset Policy that it would be prudent to budget for an amount of £3,000 per property giving a total of £348,000 for the 116 tenancies. However it is anticipated that some re-housing of tenants should come in below this figure. The total figure is approximate and may change when the final design is completed.

It should be noted that other properties in close vicinity of the proposed road scheme may need to be decanted since they will require structural repairs due to the phased demolition of adjacent properties as part of the Improvement Scheme.

It is estimated that the total expenditure for the HLP and the DP will be in the region of £552,000 spread over a period of 3 years.

The budget for the Home Loss Payment and the Disturbance Payment will be borne by the Housing Revenue Account and will be included in the budget process for 2015/16 onwards.

Officers will engage with the Scottish Government to establish if the Council can receive financial compensation for the home loss and disturbance payments which will be made in advance of the CPO process.

### 4. OTHER IMPLICATIONS

The approval of the Delegated Power will provide officers with the flexibility to assist the transfer of tenants to alternative accommodation in order to provide vacant possession of our properties to make way for the construction of the relief road and the development of the regeneration areas.

## 5. BACKGROUND/MAIN ISSUES

The proposed Haudagain Improvement Scheme is aimed at easing the congestion at the Haudagain Roundabout and will result in the acquisition of around 132 council properties and a number in private ownership by the Scottish Government. However this may change as the design is finalised.

The current status for the 132 properties identified so far for acquisition is:-

• Void	-	3
• Temporary H'less	-	13
• Tenanted	-	116

To date 86 tenanted households have been contacted in order to provide them with information and to document their household details and family composition in order to provide advice on re- housing options. These discussions will provide an understanding of their rehousing needs. Where tenants wish to remain in the area every effort will be made to provide for this, where tenants want to move further afield to reflect their family, employment or other requirements we will look to assist.

It is important that the council re-houses the tenants in a timeous and orderly manner in line with the programme timescales so as to minimize disruption to the tenants. It is also vital that the council provide vacant possession of its properties in the affected site when the Scottish Government Compulsory Purchases the land from the council. This will ensure that we maximize the compensation we receive for the properties so it can be re invested in housing services/projects for the benefit of our tenants.

### **Home loss and Disturbance Payments**

Under the Land Compensation Act, 1973 and the Housing (Scotland) Act 1987, social landlords are obliged to make Home Loss and Disturbance Payments to tenants if they are to be displaced due to demolition or other redevelopment proposals affecting their home.

**Home Loss Payments** - are a fixed amount, this is currently £1,500 per property and paid if a tenant is forced to move out of their home for example, because the landlord has bought it to demolish it or another government body requires the land for as in this case a road development scheme.

However in this particular case we are looking to rehouse tenants in advance of the Scottish Government purchasing the land from the council by way of a Compulsory Purchase Order (CPO). We need to

provide the Scottish Government with vacant possession of the land for the CPO process so that the council can maximise the compensation it receives. It will therefore be essential for the council to make payments equivalent to a Home Loss Payment with immediate effect, to tenants ahead of the statutory process in order to assist the process of re-housing the tenants. The council would automatically be required to pay a Home Loss Payment to a tenant moved by the council on the grounds that the house is to be demolished once a CPO process commences.

**Disturbance payments** - are made if you have to vacate your home on a permanent basis or for a temporary period. They will meet the reasonable costs of providing moving expenses

The following expenses will generally be covered by a Disturbance Payment: Officers will be available to provide help and assistance to tenants who are not able to manage the move by themselves.

- Cost of removal by a removal company
- Alternatively, cost of self drive hire and petrol (within the limits of option one).
- Disconnection and reconnection of white goods.
- Telephone disconnection and reconnection charges.
- Redirection of mail.
- Cost of carpets and curtains including fitting or altering tenants carpets and curtains

### **Allocations**

Our current allocation policy provides various levels of priority depending on an applicant's circumstances, even those who have some degree of priority are still waiting a considerable time to be rehoused due to the demand for council housing.

All the households whose homes will be affected by demolition will need to be re-housed by a given date circa late 2016; however some of the households may wish to move immediately, while others may have some commitments or personal reasons which may mean they wish to delay for a period, their transfer to another council house.

Due to the large numbers of potential transfers involved and the relatively small numbers of properties available each month for relet it will be imperative to start the process of rehousing the tenants as soon as possible.

In order to achieve this in an orderly and timeous manner and having regard for individual circumstances of each of the tenants it will be necessary to provide these tenants with an appropriate level of priority

within our housing lists and to provide a degree of flexibility in terms of areas of choice and number of offers.

In order to lessen the impact of re-housing so many households, the council is currently not re-letting any properties which become vacant within the area to be acquired for the road scheme; this action was approved by this committee at its meeting on the 14<sup>th</sup> June 2013.

It will be necessary to contact all the residents on an individual basis to discuss their housing needs and advise them of their housing options including re-housing by the council. This process will take some time and will need to be conducted with sensitivity and understanding.

The families whose homes are required by the Haudagain Improvement Scheme will have individual aspirations and timescales relating to the most suitable time for them to move and it would be appropriate that senior officers have the necessary delegated powers in place to enable them to assist the affected tenants in a flexible way.

It is therefore proposed that the following Delegated Power is approved by this committee:-

“Grants in the first instance to the Director of Housing and Environment and subsequently the Head of Service for Housing and Community Safety delegated powers to provide tenants whose homes are required to make way for the Haudagain Improvement Scheme an appropriate level of priority within the housing lists and flexibility in terms of areas of choice, house sizes and number of offers.”

### **Mixing of sexes**

In addition it will be appropriate to relax the criteria on mixing of sexes, our current policy states that

*“One bedroom each is required for a child under eight years of age and a child over eight years of age of different sexes, where they cannot share with any other child of the family”*

The rule highlighted means that if a household has for example a Parent(s) and two children a boy aged 5 or less and a girl aged 7 or less, they would be entitled to a property with 2 bedrooms, however when the girl reaches 8 they would be entitled to a 3 bedroom property.

There may be some households whose homes are to be acquired as part of the Haudagain Improvement Scheme who may fall into this category. If we follow the current policy we would provide them with a 2 bedroom property. However within a short period of time the household could apply for a larger property under the bedroom size rules. In order to provide this household with larger accommodation they would be

required to complete an application and wait on the transfer list until a suitable offer was made, this could take many months or years.

During this period the children would be getting older and the mixing of sexes in the same bedroom could pose issues whilst they wait for an allocation of a larger property. There would also be the additional resources required by the household in moving again e.g. carpets and curtains.

In order to alleviate these issues it is proposed that where mixing of sexes occurs we would offer re-housing to the household to larger accommodation if the eldest child has reached the age of 5.

The tenants who fall into this category would be informed of the current occupation rules of the Welfare Reform age qualification which states that the eldest child must be 10 years of age to qualify for a separate bedroom. If the tenants are on housing benefit and of working age their entitlement to such benefits may be reduced, the tenant would then need to make the choice on whether to accept or reject the offer of a larger property.

## **Two Households**

During individual meetings with tenants, it has become apparent that the household composition for some tenancies has changed over time. Some have reduced because children have left home; some however have seen an increase in the occupants e.g. extra family members such as parents coming to stay. If we have properties where tenants have moved their family in over time, we would have to take any members of the family into account when moving the tenant.

However this does not place an obligation on us to offer accommodation that exceeds the capacity of the property which they currently occupy unless this is due to new members of the household such as new children. We may however at our discretion offer a larger property but we are not obliged to do so. Similarly we would not have to rehouse any family members in their own separate accommodation. If they wanted to go down that route they would have to apply for housing in their own right. Housing options advice would be provided to the occupants in order for them to secure alternative accommodation.

## **Priority**

In order to re-house the affected tenants timeously it is proposed to place them on the Urgent housing list and provide them all with the highest priority available. It is also proposed that applicants will be

further prioritised by the length of time they have been tenants in their current homes.

## **Rent Management**

Tenants who are in or may get into rent arrears during the re-housing phase will be treated in the same way as all other tenants and in line with our current Rent Management Policy. It may therefore be necessary for tenants who have a decree against them for rent arrears or other housing debts to use the homeless payment to offset the outstanding amounts. Tenants who do not have a decree against them may also use some or all of their Home Loss Payment to settle any outstanding debts to the council which may include current/former arrears, legal expenses or re-charges. There may be some tenants who may still have large outstanding balances even after the whole Home Loss Payment has been used to pay for arrears. However tenants should still have in place a suitable repayment arrangement in line with current policy.

## 6. IMPACT

### Public Interest

This report is likely to be of interest to the public in general and in particular to those who live in and around the Middlefield area.

Councillors and other decision-makers must actively consider the general equality duty when deciding whether to approve a new or revised policy or practice. Assessing impact is an important part of this, as reinforced by recent court cases, which have found that the duty to assess impact is mandatory and it must be fulfilled prior to taking the decision on the function or policy in question. The duty cannot be delegated – it must be considered by the person or persons with the ultimate responsibility for the policy or the service and for the decision to implement the policy.

During the re-housing process tenants whose homes are being acquired will receive the highest priority under our allocations policy. This may result in others on our housing list being bypassed for certain allocations

The community plan sets out our vision for the future of the city.-an even better place to live and work, where people can expect high quality services to meet their needs.

This proposal meets the following objectives

- Homes Challenge – Improve the quality of housing and environment for individuals and the community.

It also meets the objectives in the policy document Aberdeen – the Smarter City

- Smarter Living - We will enhance the physical and emotional wellbeing of all our citizens by offering support and activities which promote independence, resilience, confidence and self esteem.

## 7. MANAGEMENT OF RISK

If we do not adopt the recommendations outlined in this report there is a risk that we will not be in a position to provide vacant possession of the site to the Scottish Government and thereby reduce the compensation we would receive from the Compulsory Purchase Order process.

The recommendations also provide the policy framework which will help the affected tenants to be re-housed in a timeous and stress free manner.

## 8. BACKGROUND PAPERS

[Allocation policy](#)

## 9. REPORT AUTHOR DETAILS

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