



# Policy Guide & Draft Resident Offers November 2017





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# 1. Introduction

This guide has been developed for residents living in areas of Milton Keynes that have been designated 'regeneration areas'. These areas are Beanhill, Coffee Hall, Fullers Slade, Netherfield, North Bradville, the Lakes Estate and Tinkers Bridge.

All of the regeneration areas have a strong sense of community and many residents like aspects of where they live. These areas however continue to experience considerable issues with the condition of existing homes and buildings, and significant social and economic challenges. All of the regeneration areas are ranked within the most deprived communities in England according to the Index of Multiple Deprivation 2015.

Coupled with this, the current population size and household income levels limit the numbers, quality and type of facilities and amenities the areas can support, such as shops, businesses and good transport connections.

Taking this into account, any regeneration will aim to deliver:

- No net loss of council housing;
- Improved access to affordable housing;
- Tenure mix i.e. social rented, affordable rented, private rented, owner occupation including low cost home ownership;
- Increased investment into the area, including improved facilities and amenities;
- High quality green areas and open spaces;
- Community safety and security designed-in;
- Adequate parking and infrastructure;
- Increased access to training and employment.

The outcome of the regeneration process for any of the designated areas is not yet known, but YourMK will work with residents and local stakeholders to develop the vision and plan for their area.

This guide sets out the way that YourMK will go about regeneration, and explains what the regeneration may mean to you as a council tenant, a leaseholder, a freeholder and a private tenant.

We understand that the uncertainty of this process can be unsettling. This guide is designed to:

- **Inform** you about the process YourMK will follow;
- **Explain** how you can be involved in the decisions we make about your local area;
- **Reassure** you about the ways in which YourMK will be able to help you no matter what the outcome.

Further information will be issued as the regeneration of your area proceeds. In the meantime a member of the YourMK community team is available to answer your questions and explain how you can be involved in the process for your area.

If you would like to receive more information or make an appointment to speak to the YourMK community team please email [regeneration@yourmk.co.uk](mailto:regeneration@yourmk.co.uk) with your name, address and contact details, or you can call us on 01908 991570.

## 2. The regeneration process

### 2.1 Getting ready

When we begin the regeneration process in your area, we will hold events, workshops and meetings with residents and other local community groups, businesses and organisations, in order to understand what is important to you and what you want to see in your community. This work will be led by architects who have successfully worked with local residents and communities to deliver regeneration in other parts of the country, and are experts at leading these processes.

We will also run tailored training sessions for residents that will help you better understand the regeneration process, and support your involvement in the regeneration of your area.

During this time we will work with you to select an Independent Advisor and establish and run a Resident Steering Group. This group plays a key role in enabling residents to help shape the regeneration proposal and decisions. Independent Advisors provide one on one support and advice to residents, focusing on how regeneration affects individual households. They also work with residents and resident groups to involve them in decision making, set standards and agree how they would like to be engaged with.

As well as working closely with residents during this stage, we will also carry out surveys on the condition and structure of homes and analyse data from this. We will also select experienced consultants to advise us on all aspects of the regeneration process. These include architects, organisations who help build knowledge among residents and strategy advisors, all who have worked on regeneration programmes across the country.

At the end of this stage of the process, we will create the design brief. This details what the masterplan needs to include to meet the needs of the residents, and be physically and financially deliverable.

### 2.2 Co-design

A regeneration masterplan is a comprehensive plan that captures a vision for an area. It normally focuses on the regeneration area and works towards securing planning permission so that the masterplan can be delivered.

Co-design is where residents and other stakeholders work with architects to design the masterplan(s) for their area. The co-design process allows residents to get involved in making key decisions about the design of their area.

During this stage, we will run workshops and exhibitions to gather ideas, issues and concerns from residents and stakeholders. We will use your feedback and comments to shape the masterplan(s) for the area.

### 2.3 Resident vote on masterplan options

It is likely that we will develop a number of masterplan options based on the co-design sessions.

These options will:

- Be developed with residents, and will be based on what you have told us is needed and valued;

- Meet the Milton Keynes Council and YourMK commitment to no loss of Council housing;
- Be financially viable – is affordable and has the potential to be delivered without public subsidy;
- Meet planning requirements – broadly in line with planning policy and therefore likely to be able to obtain planning permission;
- Deliver more and better affordable homes – better quality replacement housing and an overall increase in the amount of affordable homes for local residents
- Generate place making – the development is considered an attractive place to live, work and visit;
- Create high quality green and public spaces, and high quality facilities.

To select the preferred option we will hold a ballot, where each eligible resident will be able to vote for their preferred option for their area. The option that is selected at ballot will be the option that is taken forward for delivery.

A guide to the ballot, including details of who is eligible to vote in your area, will be developed and shared with you.

## **2.4 Submission to Milton Keynes Council for planning permission**

Following the ballot, YourMK will develop the preferred option and submit it to Milton Keynes Council for outline planning permission. This will include a 13 week consultation period, led by Milton Keynes Council, during which time residents can submit comments on the plan for formal consideration as part of the planning decision.

Gaining outline planning permission provides an early indication that the more detailed plans are likely to be approved.

Following the submission for outline planning permission, a detailed plan will be developed and submitted for planning permission. This will take about 6 months and will again include a 13 week resident consultation before Milton Keynes Council makes a decision.

The detailed plan may include phasing if the regeneration requires people to move out of their homes so that the area can be redeveloped. Phasing is done because it is not possible to move everyone into new homes at the same time, while the existing homes are demolished and new ones built. Phasing works by moving residents from one part of an estate into new homes, and then demolishing the old properties where they used to live. Then, new homes are built in their place. When the new homes are completed, residents from another part of an estate move in and the old properties where they used to live are demolished. This process is repeated over and over on a rolling programme until the regeneration of the area is completed.

This means the most people will only move once – straight from their old home to their new home.

## **2.5 Delivery**

If any demolition or (obstructive) building work is required within the masterplan, Milton Keynes Council will give notice of this intended work by serving a demolition notice or an obstructive building notice. This does not mean that YourMK will immediately begin demolishing homes.

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The owners and occupiers of any property affected by this work will receive written notification of the notice.

Demolition notices are issued in two stages:

- Initial demolition notices are issued to formally advise residents that the regeneration requires some demolition. These notices can last up to five years because any demolition does not start straight away.
- Final demolition notices are issued when planning permission has been granted and a date has been set for the demolition to happen. No demolition can happen until this notice is issued. These notices last for two years.

The controls for demolition and obstructive building work by a local authority are given under Section 80–83 of the Building Act 1985. Further detail can be found here:

<http://www.legislation.gov.uk/ukpga/1984/55>

## 3. Milton Keynes Council tenants

### 3.1 Starting the conversation

Once the co-design process has commenced, YourMK will start having detailed conversations with individuals about what this means for you.

Tenants will be invited to a one-to-one meeting with a representative of Milton Keynes Council and/or YourMK, to discuss your individual situation and answer any concerns that you may have about the process.

A detailed guide for Milton Keynes Council tenants is being developed and will be shared with you at the one-to-one meetings when these are scheduled.

### 3.2 Right to Buy

If you want to purchase your home through Right to Buy and have already started this process, you can continue with this until it's complete or a demolition notice is issued.

If demolition is required within the masterplan for your area, the Right to Buy process is affected when:

- An initial demolition notice is issued. At this time no new Right to Buy applications can be started and all Right to Buy applications that are in process, will be suspended, but not stopped. This means it can be reinstated if no demolition occurs.
- A final demolition notice is issued. At this time no new Right to Buy applications can be started and all Right to Buy applications that are in process will be stopped.

You can find out more about the Right to Buy process here <https://righttobuy.gov.uk/>

You can find out more about the Right to Buy process in Milton Keynes here <https://www.milton-keynes.gov.uk/housing/the-right-to-buy-your-council-house>

You can find out more about how the final demolition notice affects Right to Buy here: <http://www.legislation.gov.uk/ukpga/2004/34/section/183>

### 3.3 Your tenancy and housing needs

If you are a council tenant and have to move out of your home in order for the masterplan to be delivered, your tenancy will remain and you will keep the same tenancy rights as you currently have.

YourMK are committed to rebuilding/replacing the same number of council homes as are currently in the area, so you will be offered a new council owned property in the newly developed area.

Your needs will be assessed by Milton Keynes Council. This is done in order for the council to allocate the right size homes for tenants who want to stay in the newly developed area. It is also used to identify any special adaptations that may be needed in the new home, or other preferences a household may have.

All allocations will follow the guidance set out in Milton Keynes Council's Housing Options and Allocations Scheme which can be found here <https://www.milton-keynes.gov.uk/housing>

### 3.4 Draft resident offers

Making the right choice for you and your family is very important, and YourMK and the Council are here to help.

***The resident offers below are draft at this stage. It is important that you read and fully understand the offers that apply to you. Consultation on these offers will be open until Friday 19<sup>th</sup> January. During this time, you will be able to discuss these offers with us and provide feedback on what works for you and what else we need to consider.***

If your home is retained, the following offers may not apply.

#### **Offer 1 – move into a new home in the regeneration area**

You will be allocated a new home in the developed regeneration area according to the Council's allocations guidance.

If you decide to move to a new home in the developed regeneration area you will be allocated that home whilst it is still being built. This allows you time to make choices about things like the kitchen units, wall and flooring colours and, in some cases, the layout.

The majority of people who choose to stay in the developed regeneration area will simply move from their present home into a new home. It is unlikely that you will have to move off the estate whilst the new homes are being developed.

The current rents for social housing are regulated by central government. The way rents are set for the developed regeneration areas will depend on central and local government policy. Although rents in the new build homes may be set slightly higher than current social rents, the homes will be much cheaper to run so tenants will not be out of pocket.

More information on this will be shared once it becomes available.

#### **Offer 2 - open market purchase**

This is the straightforward purchase of a leasehold or freehold property for the agreed open market value of a new property.

#### **Offer 3 – private rent**

This is the renting of a home from a private owner.

#### **Offer 4 – rent with YourMK**

This is the renting of a home from YourMK.

## 4. Leaseholders and Freeholders

### 4.1 Starting the conversation

Once the co-design process has commenced, YourMK will start having detailed conversations with individuals about what this means for you.

Residents will be invited to a one-to-one meeting with a member of the YourMK team to discuss your individual situation and answer any concerns that you may have about the process.

Where regeneration results in demolition of leaseholder and freeholder homes, YourMK will need to purchase the leasehold or freehold of your property before work can proceed. This process is referred to as 'buy back'.

A full 'buy back' guide, including details of compensation, is being developed and will be shared with you at the one-to-one meetings when these are scheduled. A summary is detailed below.

### 4.2 'Buy back' summary

#### Valuing your home

If your property needs to be purchased in order for the masterplan to be delivered, YourMK will instruct an independent surveyor, registered with the Royal Institute of Chartered Surveyors (RICS) to value your home.

To reach a valuation figure the surveyor will assess the external and internal condition of your home and carry out detailed research of the local property market and analyse sales information from properties like yours.

#### Open market value

YourMK's offer will be at open market value at the time we need to buy your property from you. It is based on the price your property would achieve if it were to change hands between a willing buyer and a willing seller.

If you disagree with YourMK's valuation of your home, you can obtain your own valuation completed by your own surveyor. The surveyor must be a member of RICS. YourMK will pay for this valuation.

If there is any difference between the valuation figures, the two surveyors will negotiate and normally reach an agreement to produce a final valuation.

#### Compulsory purchase order

If it is necessary, YourMK hopes to buy back your property on a voluntary basis, through discussion and agreement with you. If an agreement cannot be reached, the Milton Keynes Council will need to seek a Compulsory Purchase Order (CPO). This is only applied as a very last resort.

A document providing more detail on the stages of this type of purchase is being developed and will be shared.

National legislation around compulsory purchase of land can be found in the Town and Country Planning Act 1990, in section 226, here:

<http://www.legislation.gov.uk/ukpga/1990/8/section/226>

More details on the compulsory purchase and compensation procedure can be found here:

<https://www.gov.uk/government/publications/compulsory-purchase-and-compensation-booklet-1-procedure>

### 4.3 Draft resident offers

Making the right choice for you and your family is very important, and YourMK are here to help. There are different options depending on whether you are a resident (living at the property) or a non-resident leaseholder or freeholder.

***The resident offers below are draft at this stage. It is important that you read and fully understand the offers that apply to you. Consultation on these offers will be open until Friday 19<sup>th</sup> January. During this time, you will be able to discuss these offers with us and provide feedback on what works for you and what else we need to consider.***

If your home is retained, the following offers may not apply.

#### Offer 1 - open market purchase

This is the straightforward purchase of a leasehold or freehold property for the agreed open market value of a new property.

In addition to the open market value of your home, you will receive an additional 10% home loss payment (7.5% 'basic loss' payment if it has not been your principal home for at least 12 months). You will also receive disturbance payments to cover the costs associated with moving.

#### Offer 2 - leasehold swap

A leasehold swap is when YourMK will replace your current property with a new build property on the same estate of a similar value. We will swap your remaining lease to the new property. We will carry out a full valuation process on your current and new-build properties, and work out a detailed arrangement if there is any cost deficit or excess.

#### Offer 3 - freehold swap

A freehold swap is when YourMK will replace your current property with a refurbished retained property on the same estate of a similar size and value. This option will only be available where the masterplan allows for some properties to be retained, likely within a 'historic quarter'.

#### Offer 4 - shared equity

You may be eligible for this option if you have lived in your home for at least 12 months prior to entering in a Buy Back agreement with YourMK.

Shared equity ownership involves reinvesting the full value of your current property and the value of your home loss payment, into a new build home in the regeneration area. The newly built homes are likely to be of higher value than your current home. This difference in value (between your current home and the new home) will be paid for by YourMK when the property is sold to you. You would not pay any additional rent or interest payments on the share that you do not buy. This share would not need to be repaid until you choose to sell the property at a future date or a change in ownership occurs.

## 5. Private Tenants

### 5.1 Starting the conversation

Once the co-design process has commenced, YourMK will start having detailed conversations with individuals about what this means for you.

Private tenants will be invited to a one-to-one meeting with a member of the YourMK team to discuss your individual situation and answer any concerns that you may have about the process.

YourMK are determined that all residents are treated fairly and equally, have confidence in the process and receive a high level of service from members of the organisation.

### 5.2 Draft resident offers?

Making the right choice for you and your family is very important, and YourMK are here to help.

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If your home is retained, the following offers may not apply.

#### **Offer 1 - open market purchase**

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#### **Offer 2 – private rent**

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#### **Offer 3 – rent with YourMK**

This is the renting of a home from YourMK.

## 6. Compensation

It is important that you do not have to incur any costs as a result of the regeneration process. This section details what you as a tenant, leaseholder or freeholder are entitled to from YourMK in terms of compensation.

### 6.1 Home loss payment

If you have to move out of your home, you will be eligible for home loss payment. This is a payment that is required by statute, with the amount payable set by Government. If you are a leaseholder or freeholder, this payment is in addition to the market value you receive for your property. This payment represents compensations for having to move from your home in order to allow the regeneration to take place.

For resident leaseholders and freeholders, the home loss payment is currently set at 10% of the market value of your property. If the property has not been your principal home for at least 12 months, the home loss payment is currently 7.5% of the market value of your property.

For council tenants, the home loss payment is currently £6,100 as of 2017. If you have rent arrears or other debts to the council, these may be deducted from your home loss payment at the time of you moving to your new home.

*To be eligible to claim for home loss payment, you must have lived in your property as your sole and principal home for at least one year before you move.*

### 6.2 Disturbance allowance

In addition to the home loss payment, if you have to move out of your home YourMK will cover agreed costs incurred as a result of moving. These are called disturbance payments and follows the basic principle that you should not be out of pocket because of the move.

If your trade or business has to move, you will also be able to claim disturbance allowance, based on the loss of income sustained because of the move.

The amount of disturbance allowance granted to each resident or business owner will be calculated on a case by case basis, but will typically include removals, disconnection and reconnection of appliances, phone, internet and satellite, redirection of mail, necessary adaptations and an allowance towards carpets and curtains if not supplied. Costs must be deemed reasonable.

### 6.3 Removals

YourMK will provide a removal firm to support residents to move from their old home to their new home. This service will only be provided for residents who remain in the regeneration area.

## 7. Vulnerable residents

YourMK is aware that some residents have complex needs, which make them more vulnerable. We will provide additional support to those residents with complex needs that are assessed as being vulnerable.

Detailed consultations will be undertaken with resident advocates, family members, social services and relevant health practitioners to obtain the necessary information and documentation regarding the needs of the household to assess and determine vulnerability.

## 8. Independent Resident Advice

YourMK are keen to ensure that residents have all the information they need before making any decisions about their future.

As well as having our team available to you, we will also have an Independent Resident Advice service in each area, that residents can speak to face to face, over the phone or however suits you. The role of this service is to provide impartial advice to residents during the process, and to ensure that you fully understand all of the options available to you so that you can make the best decision for your family.

In order to keep this service independent, residents in each area will be given the opportunity to meet a variety of service providers and chose which they would prefer to work with. We will then commission one service provider per area, based on the resident selection process.

To find out if there is already an Independent Resident Advice service for your regeneration area please goes to [www.yourmk.co.uk](http://www.yourmk.co.uk) and click on your neighbourhood.

Thank you for taking the time to read this document. This is an important document so please make sure you have read it and understood it. More information will be issued as the regeneration of your area proceeds.

If you have any queries about anything contained within this booklet or require further copies of the document then please contact YourMK on 01908 991570 or email [regeneration@yourmk.co.uk](mailto:regeneration@yourmk.co.uk)

## 9. Glossary of terms

### **Building Act 1985**

National legislation that relates to buildings and building related matters.

### **Compulsory Purchase Order (CPO)**

A CPO allows certain bodies to obtain land or property without the consent of the owner.

### **Co-design**

Co-design is where residents work with architects to design the masterplan for their area.

### **Disturbance allowance**

A payment made to compensate for reasonable expenses incurred in moving home.

### **Freeholder**

If you own the freehold, it means that you own the building and the land it stands on. You have responsibility for maintaining the fabric of the building – the roof and the outside walls.

### **Home loss payment**

The payment made in recognition of the personal distress and inconvenience suffered by people who are displaced from their homes.

### **Leaseholder**

A leaseholder has a contract with the freeholder, which allows them to lease/rent the property for a set number of years. Leasehold is most common in flats, when a person leases the flat but does not own the building.

### **Market value**

The definition of a fair market value, as described by Government, is the price at which the property would change hands between a willing buyer and a willing seller. This means that neither the buyer or seller are under any compulsion to buy or to sell and both have reasonable knowledge of the relevant facts.

### **Masterplan**

A masterplan is a plan created by architects, with communities. It provides a layout to frame future development for an area.

### **Non-resident leaseholder or freeholder**

A non-resident leaseholder or freeholder where the property in question is not their main residence and has not been for over 12 months from a given date.

### **Open market purchase**

This option is the straightforward buy-back of the leasehold or freehold property for the agreed open market value.

### **Right to Buy**

The scheme introduced in 1980 to help council and housing association tenants buy their home at a discounted rate.

### **Shared equity**

The purchase of a share of a property, and rent is not paid on the proportion of the property owned by the Council.

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### **Tenure**

Tenure refers to the type of tenancy or ownership that someone has for where they live. This can be leasehold, freehold, council rental, housing association rental or private landlord rental.

### **Town and Country Planning Act 1990**

National legislation regulating the development of land.

## 10. Useful Contacts and links

### **Department of Communities and Local Government (DCLG)**

Address: 2 Marsham Street, London SW1P 4DF

Website: <http://www.communities.gov.uk/corporate/>

Phone: 0303 444 0000

CPO and Compensation guidance from DCLG can be found here:

<http://www.communities.gov.uk/publications/planningandbuilding/compulsorypurchase>

### **DirectGov**

Website: <http://www.direct.gov.uk>

Website link to information on Getting Legal Advice and Aid:

<http://www.direct.gov.uk/en/Governmentcitizensandrights/GettingLegalAdvice/Gettinglegaladviceandlegalaid/index.htm>

### **Government Right to Buy**

Website: <https://righttobuy.gov.uk/agent-service/>

Email: [enquiry@righttobuyagent.org.uk](mailto:enquiry@righttobuyagent.org.uk)

Phone: 0300 123 0913

### **Milton Keynes Citizens Advice Bureau**

Address: Acorn House, 361 Midsummer Boulevard, Central Milton Keynes MK9 3HP

Website: [www.miltonkeynescab.org.uk](http://www.miltonkeynescab.org.uk)

Phone: 01908 604475 (Advice Line) Tuesday-Thursday

Drop In: 9.30am - 2.00pm Tuesday-Friday

### **The Leasehold Advisory Service (LEASE)**

Address: Maple House, 149 Tottenham Court Road, London W1T 7BN

Website: <http://www.lease-advice.org/>

Phone: 020 7383 9800

### **The Royal Institution of Chartered Surveyors (RICS)**

Address: 12 Great George Street, Parliament Square, London, SW1P 3AD

Website: <http://www.rics.org>

Phone: 020 7222 7000