

Millcroft Road – Rehousing Strategy

Introduction

The Rehousing Strategy has been prepared as an overarching document which will underpin the strategy for rehousing of residents affected by the Compulsory Purchase Order being promoted by North Lanarkshire Council at Millcroft Road, Cumbernauld. The Rehousing Strategy affects the various parties who will be impacted by the CPO, namely – owner-occupiers, owners and tenants.

The 168 properties at Millcroft Road are privately owned (1 is currently owned by NLC), and despite protracted attempts by the Council to intervene and improve the living conditions of the residents, there is no option but to take action via means of promoting a CPO, given the poor and continued decline of the condition of the blocks.

Continued decline of the living standard of the properties has resulted in the council engaging in intervention in the private market. NLC are the only option in terms of improving the opportunity for residents to access alternative housing and the CPO is a means of last resort. The Council are offering the option of rehousing to all residents of the affected properties.

The Council recognises that there will be an impact on residents and owners as a result of the CPO and has put in place a number of measures – set out in this Rehousing Strategy – in order to mitigate the impacts and improve outcomes for residents.

Background & Partnership Approach

The overall regeneration strategy for Millcroft Road includes: communication and liaison with owners, residents and other stakeholders (including lenders); promoting the CPO; development and delivery of the re-housing strategy with assistance from local Registered Social Landlords; demolition of the flats and redevelopment of the site as part of the Council's New Supply programme. This will provide much needed homes for social rent in Cumbernauld, an area in which the Council has identified a shortfall.

Sanctuary Scotland are partnering with the Council to assist with the Rehousing Strategy by offering homes to owner occupiers either as Social Rent or New Supply Shared Equity through its current new build development at Burns Road. The new homes are in close proximity to Millcroft Road and present a unique opportunity for owner occupiers to relocate ahead of the CPO and reside in a modern and energy efficient home.

North Lanarkshire Council gained committee approval to allow the owner occupiers at Millcroft Road to move ahead of the CPO. The Council has taken a measured risk regarding early acquisitions in order to ensure the owner occupiers are least affected by the current living conditions of the properties and have a suitable option to be rehoused.

Accommodation at Burns Road (Social Rent or Shared Equity) being developed by Sanctuary Scotland has been offered to owner occupiers only as part of a voluntary acquisition process. Owner occupiers who are not interested in the Burns Road offer, or do not qualify for the shared equity offer, will remain at Millcroft Road meantime and will be offered alternative rehousing options along with tenants and other informal occupiers should the CPO be Confirmed. For those owner occupiers

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and tenants remaining at Millcroft Road (until the CPO outcome is known) NLC will offer the option of social tenancy within current NLC stock or RSL provision throughout North Lanarkshire, as part of the Common Housing Register process. The Council has gained approval to progress with voluntary acquisition of properties following confirmation of the CPO, and in advance of the GVD. This will allow those remaining owner occupiers and tenants to be rehoused as soon as possible.

Simultaneous to the CPO determination period, the Council will engage with all current residents to assess their rehousing needs and options, which will form a key role in the Rehousing Strategy. This early engagement will put the Council in a better position to rehouse those affected as soon as possible, following Confirmation of the CPO.

The Council has received confirmation from Sanctuary Scotland, Link Housing Association and Abronhill Housing Association, that any individuals who do not have the right to Public Assistance (for example those living at Millcroft Road under Student Visa) and therefore cannot be listed on the Common Housing Register for rehousing directly via the Council, can be offered rehousing options directly via the respective Housing Associations locally. This partnership approach allows those who legally cannot be offered rehousing directly via NLC to still be provided for, ensuring there are no gaps in the rehousing strategy.

Obligation to Provide Alternative Accommodation

- Qualifying Criteria

Section 36 of the Land Compensation (Scotland) Act 1973 ("the 1973 Act") obliges the Council to secure provision of suitable accommodation on reasonable terms for qualifying displaced residents where such accommodation is not otherwise available.

This duty is owed by the Council whether flats are acquired compulsorily or by agreement (given that the Council has compulsory purchase powers).

To be eligible, residents (who may be owners, tenants or occupiers) must reside in the flat in question when the notice of making of the CPO is first published. Residents should provide the Council with reasonable evidence to establish this which might include a tenancy agreement; correspondence or other paperwork from a bank; utility provider, or the Council itself (e.g., a Council tax bill).

The Council is building upon the statutory duty owed by offering rehousing options and assistance over and above that is legislatively required, as detailed within this Rehousing Strategy.

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- Provision of Alternative Accommodation

Owner occupiers will be offered the opportunity for a shared equity or rented property at Burns Road in advance of the CPO, subject to qualifying under the relevant shared equity scheme. If owner occupiers reject the offer or do not qualify for it, they will be offered a rental property with a Registered Social landlord (RSL) through the Common Housing Register or from the Council's own stock should the CPO be confirmed. Tenants / occupiers will also be offered a rental property through the Common Housing Register. Priority will be given through the points system due to the proposed demolition of the existing housing blocks (whereby an additional 150 points will be allocated at the point of confirmation of the CPO). Rental properties will be offered on the RSL's or Council's standard terms, and temporary accommodation will be made available if required.

Suitability of the rental property will depend on the circumstances of the person, for example in terms of dependents living with them; particular needs and additional support required. The Council will engage with all residents to obtain relevant information to inform offers made.

The Council are able to make two offers of accommodation in line with CHR and NLC allocation policy to persons facing displacement, with each offer to be suitable and made on reasonable terms.

Engagement & Rehousing Progress to Date (pre-Confirmation)

| Uptake for Burns Road Rehousing | | |
|--|----|--|
| Owner occupiers interested in Burns Road | | |
| | | 19 |
| NSSE | | |
| | 10 | 1 - Block 2 (Burns Road) 9 - Block 3 (Burns Road) |
| Social Rent | | |
| | 9 | 1 - Block 2 (Burns Road) 8 - Block 3 (Burns Road) |
| | | 19 |

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- Engagement with existing Tenants

All existing Tenants have been visited by the project dedicated Housing Advisor to identify their preferred choice of alternative accommodation. If social rented housing is preferred, a Common Housing Register application form will be provided with tailored advice on how to complete. Residents will then be listed on the CHR and allocated points as appropriate, based on their circumstances.

After listing on the CHR, an initial Housing Options Interview will be provided to assess requirements and need. Thereafter, an update will be sought every three months in order to ensure circumstances have not changed. This process includes suggesting other Housing providers within Cumbernauld or North Lanarkshire (in addition to provision of accommodation via the council stock) such as Sanctuary Scotland, Link Housing Association and Abronhill Housing Association.

Health and Housing Needs Assessments have been delivered, collected and input onto the system for those individuals requiring additional support. This then allows additional advice and signposting to further services where required.

For households who do not wish to be considered for a North Lanarkshire Council or CHR tenancy (or other socially rented landlords) then other housing advice can be offered in terms of a new Private let. This would include the Rent Deposit Scheme and referral to the NLC Tackling Poverty Team.

The project Housing Advisor has organised Functional Assessments for residents via the Social Work Department for those who have health issues to identify possible adaptations which may be required at their new property.

Engagement with the Greenrigg and Millcroft Friends Residents Association (GMFRA) is ongoing, with continuous electronic communication and quarterly Newsletter going out to all residents and owners.

- Signposting to financial advice and support

The Council have a dedicated point of contact in the local Citizens Advice Bureau who are able to signpost further advice to residents and owners. The council are unable to provide financial advice in relation to mortgages since the council is not a licensed advisor, however CAB are able to provide further details on those parties externally who can provide Independent Financial Advice. CAB are able to advise on a variety of issues from mediation to general money advice, in addition to further housing advice including lease agreements and private rented enquiries.

The Council's Tackling Poverty Team have been able to assist residents further in regard to any concerns they may have in relation to their benefits and how the compulsory purchase may affect any benefits they receive or may wish to apply for in the future.

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- Additional financial support

The Council is providing the additional measures by way of supporting residents through the rehousing process, all in the context and awareness of potential for Negative Equity:

- Compensation payment will be made in advance of GVD (for those voluntary acquisitions that take place if and after the CPO is confirmed. This means that there is no delay to affected individuals receiving compensation (given the Vesting Date could be some time after confirmation).
- Treating voluntary acquisition offers as per CPO offers, which will include provision of Home Loss and Disturbance payments in addition to Market Value offered for the property, as well as payment of professional fees (solicitor or surveyor). This ensures no one will be worse off financially if choosing to sell their property on voluntary basis, rather than acquisition via GVD.
- Write off of outstanding Maintenance Order debt - as part of the Rehousing Strategy and given the Council's commitment to helping residents with any potential financial hardship, a decision was made by the Housing Committee on 31st August 2022, to write off the outstanding Maintenance Order debt (£124,796.86). This means that those having their property acquired, either on a voluntary basis or via GVD, will not have this outstanding debt deducted from their offer, further enabling their ability to move on and be rehoused.
- Provision of Regeneration New Supply Shared Equity – allowing the opportunity for NSSE in the first instance is over and above the requirements of Section 36 and provision of rehousing options, given NSSE is not a guaranteed scheme but rather an elected opportunity at the discretion of the property developer and the Scottish Government. Via this mechanism, existing owners can remain owners with feedback being extremely positive regards this rehousing option. NSSE usually requires 60-80% equity to be brought as per Scottish Government Guidance, however in this instance a low % (15% in some cases) has been agreed as acceptable due to the regeneration ambition of the Millcroft Road development.

- Interaction with Social Work

Functional Assessments for residents have been arranged where required via the Social Work Department for those who have health issues to identify possible adaptations which may be required at Burns Road or otherwise.

Social Work are also able to provide details on those residents already known to them who may require additional advice and support. This will allow a joined-up package of targeted support to be offered to those who need it.

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Categories of Occupiers

It is necessary to consider the rehousing strategy in relation to different categories of people affected as the process, principles and compensation due are different for each category. As such, the following categories need to be considered:

1. Owner/occupiers who are moving to Burns Road

Partnership working due to history of the re-provisioning of 12 mixed tenure multi storey blocks in Cumbernauld – Sanctuary Scotland to offer new home at Burns Road to interested owner occupiers who are eligible (whether Social Rent or New Supply Shared Equity).

The Regeneration NSSE offer at Burns Road is only possible through partnership with Sanctuary as an extension to the regeneration programme throughout Cumbernauld via the “Cumbernauld Multis project” (whereby NLC facilitated the CPO of existing Sanctuary Scotland owned multi-storey buildings, facilitating rehousing and new build properties on these sites). The offer of Regeneration NSSE to owner occupiers has been provided under exceptional circumstances, especially given the lower than average equity stake that is being provided in the Burns Road properties. Normally NSSE requires 60-80% equity to be brought, however given the low property values at Millcroft Road in comparison with the new properties at Burns Road, the equity being brought may only be in the region of 15% on average.

The ability to offer Regeneration NSSE in this way allows home ownership to be made available to owner occupiers in addition to social rent. The risk of acquiring these properties early via voluntary acquisition is mitigated by the low uptake of numbers in comparison to the overall properties affected. The risk is justified to allow home ownership to be a continued option for those existing owner occupiers at Millcroft Road who wish to continue with ownership in their new home.

2. Owner/occupiers who will not be moving to Burns Road

The Council will not proceed with any voluntary acquisitions other than for those owners who are eligible and want to move to Burns Road. The basis for this decision is that the Council cannot commit to these significant up front costs – which are potentially at risk if the CPO is not Confirmed. If the CPO is not Confirmed then the Council would have ownership of housing within the blocks. Given that the current housing is no longer fit for purpose, the Council would be unable to use these properties for housing tenants and would have no clear path to progressing the development or – given all of the existing difficulties with maintenance of the blocks - even improving the blocks to allow for occupation.

Should the CPO be confirmed, the Council have secured Committee approval to provide a further option for remaining owner occupiers to have their homes voluntarily acquired. These further acquisitions will take place in advance of the GVD, allowing owner occupiers to

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be rehoused as priority. They will be entitled to the same compensation as per those who have already moved to Burns Road, this is the same as what would have been offered if the properties were acquired via CPO (market value, disturbance, home-loss and professional fees included).

Owner/occupiers will continue to have the option to move out of Millcroft Road at any time via sale on the private market. There is nothing preventing this from happening before the CPO is determined.

3. Owners who live elsewhere and whose property is vacant

There will be the option to purchase properties voluntarily following confirmation of the CPO if the timing and location of the acquisition is beneficial to the project goals (i.e. to allow a structured approach to acquire properties by block so that they can be secured safely allowing existing residents a safe environment to live in until they are rehoused).

4. Private tenants

The Council will conduct engagement with all private tenants in advance of the CPO determination outcome. This will allow individual needs to be assessed and rehousing options to be prepared. In the event that the CPO is approved, the council will commence rehousing of tenants, with vulnerable residents prioritised first.

Private residential tenancies for up to a year or from year to year will be categorised as short tenancies – the duration of the tenancies will determine the compensation that the occupier is entitled to receive.

The obligation on the Council to rehouse in accordance with Section 36 of the Land Compensation (Scotland) Act 1973 is only applicable to residents (who may be owners, tenants or occupiers) who resided in the relevant flat when the notice of making the CPO was first published. Despite the fact the Council does not have an obligation, the Council will seek to rehouse other occupiers outwith the Section 36 duty to prevent any form of homelessness resulting from the CPO.

The Council will furthermore pay compensation to tenants who agree to move ahead of the Vesting Date, ensuring they are not financially worse off from being rehoused sooner in the process.

By engaging with tenants throughout the duration of the process and ensuring that they receive rehousing options and appropriate compensation as timeously as possible, the Council hope to circumvent the requirement for any eventual eviction proceedings.

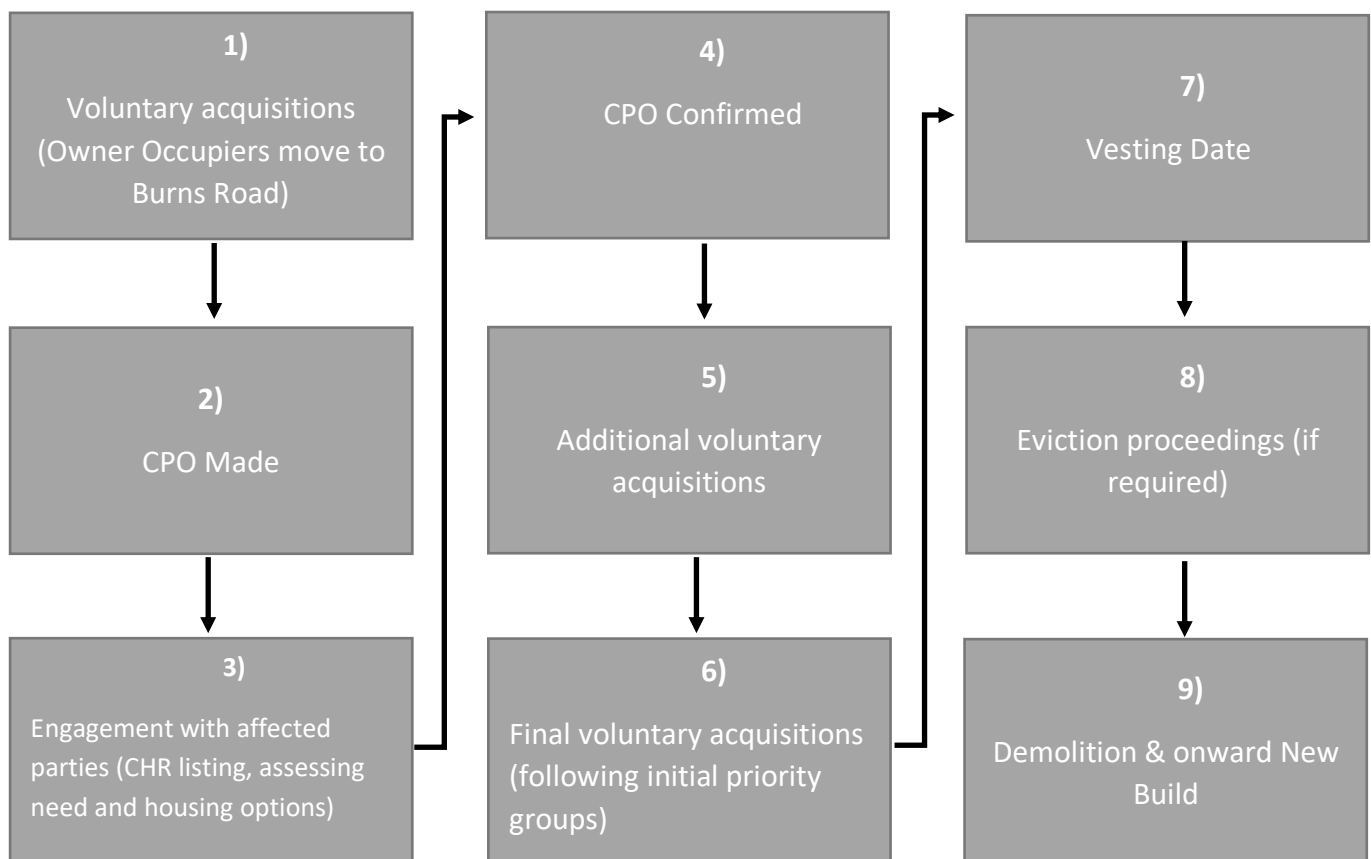
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5. Informal occupiers

Where possible, every attempt will be made to offer rehousing to this affected party in the same way that formal occupiers are being offered rehousing. The Council is aware that a number of residents live at Millcroft Road on an informal basis, i.e. no tenancy agreement, but rehousing options would still be assessed.

Consideration would have to be given in regard to immigration status and whether the individual would be entitled to Public Funds. As previously noted, arrangements have been agreed with local Housing Associations (Sanctuary, Abronhill and Link) that those not entitled to Public Funds can still be rehoused.

Strategy – Affected Parties & Estimated Timescales



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1) Owner Occupiers to Burns Road

- Initial stage of rehousing allowing owner occupiers to move in advance of CPO (please refer to previous section “Categories of Occupiers...Owner/occupiers who are moving to Burns Road”).
- Spring 2023 based on Sanctuary Scotland completion timescales for Burns Road.

2) CPO Made

- Anticipated early 2023.

3) Engagement with affected parties (CHR listing, assessing need and housing options)

- Ongoing, from Summer 2022 onward.

4) CPO Confirmed

- Estimated late 2024, based on target date for submission and assumed determination period following objections/appeal (if applicable).
- 150 Demolition points added to all tenants to allow rehousing.

5) Additional voluntary acquisitions (following confirmation of CPO)

- Approach those owner occupiers who remain (who didn't move to Burns Road).
- Approach landlords with vulnerable tenants.
- Council Committee Approval has already been granted to facilitate these additional voluntary acquisitions in advance of GVD (following confirmation).

6) Final voluntary acquisitions (following initial priority groups)

- Dependent on first round of voluntary acquisitions.
- Continuous assessment of who still occupies the properties, plan accordingly to target blocks/closes with least amount of residents remaining (following O/O departure to Burns Road and any subsequent tenants who have already been rehoused following initial voluntary acquisitions).
- Voluntarily acquire those properties of any additional landlords who approach (may not necessarily have a tenant).
- Rehouse anyone who requires it and attempt to achieve vacant possession in as many properties as possible in advance of GVD.

7) GVD

- Estimated mid 2025.
- Remaining properties/title acquired.

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8) Eviction proceedings (if required)

- This process can take in the region of 18 months.
- Hopeful that due continuous engagement with affected parties throughout all previous steps this situation can be avoided.

9) Demolition & Onward New Build

- Timescale dependent on eviction proceedings (if required).

Conclusion

The Council will work together with all occupiers on a case-by-case basis to endeavour to find solutions, reduce hardship and guide the residents through the rehousing process. Owner Occupiers, Landlords and Tenants will be consulted on an individual basis to identify what level of compensation (if any) they will be entitled to, through Home Loss and Disturbance payments. Owners will also be offered support and guidance throughout each stage of the CPO process by the Council.

The Council will adopt a supportive approach and seek to work with all parties to find a solution that is mutually acceptable and minimises hardship. This joined up package of targeted support as outlined within this Rehousing Strategy allows a full profile of rehousing requirements to be assessed early in the process, ensuring that the potential impact on individuals is mitigated when the time comes to move on to their new home.