



# Sheerwater Regeneration Council Commitments

**A COMMUNITY CHARTER FOR THE SHEERWATER REGENERATION**

With updates as at October 2021



# Sheerwater Regeneration Council Commitments

## A COMMUNITY CHARTER FOR THE SHEERWATER REGENERATION

The regeneration of Sheerwater presents an exciting opportunity to build on the existing sense of community to help develop a thriving, balanced and sustainable community for the future. The regeneration will allow local people of all ages to benefit from high quality new homes, first class community, leisure, retail facilities and a green and healthy environment. All of these proposed improvements to the environment of Sheerwater will help the Council address the objectives set out in the Council's adopted Local Plan.

The regeneration will also provide economic benefits for local people and businesses, during the construction phase, by creating local job opportunities and ensuring that much of the money spent on the project is spent with local companies. The completed regeneration will create new jobs and training opportunities for local people and maximise investment in the local economy. This will make Sheerwater a place where people want to live and work for many years to come.

Should the Sheerwater Regeneration planning application, which was submitted in November 2015, receive consent and the Council then decide to build it, we will provide a wide range of

property types that will ensure a choice of modern, spacious, energy efficient homes that are economic to maintain and flexible enough to satisfy diverse and changing needs. We will provide homes for social rent, affordable rent, shared ownership, and outright sale to create a balanced community.

A new attractive local centre will provide you with convenient access to everyday shops, services and local community facilities ensuring that there is a genuine choice of shopping, services and social spaces at the heart of the community. We will improve transport connections and increase parking provision around the local centre to increase connectivity, boost trade, protect local businesses and enhance the vibrancy of Sheerwater.

We will improve recreation by delivering a new leisure centre, sports pitches and improved play facilities for children and young people, to increase leisure options and improve health and wellbeing. We will maximise the potential of green and open space, protect existing trees and wildlife and utilise new lighting and landscaping to create safe and accessible social spaces that can be enjoyed by the whole community.

COMMITMENTS TO COUNCIL TENANTS	4
COMMITMENTS TO FREEHOLDERS & LEASEHOLDERS	8
COMMITMENTS TO COUNCIL SHARED OWNERSHIP RESIDENTS	12
COMMITMENT TO PRIVATE TENANTS	16
GLOSSARY	17

This document sets out how we will deal with residents who are affected by the regeneration should it proceed. It is important to stress that all residents currently living in Sheerwater will be given a minimum of 12 months notice before they have to move.

Our aim is to ensure that as many people as possible can move from their existing properties directly into new homes. However, while we have designed the phasing of the scheme to achieve this, it may be necessary for a small number of residents to move into a temporary home prior to occupying their new home. The Council is committed to making the process as smooth as possible for residents.

A rehousing plan will be finalised and shared with residents once planning permission has been secured and the construction programme confirmed. This document will be regularly updated during construction and the Council will communicate any changes to residents in a timely manner.

We will hold one-to-one discussions with you to ensure that your individual needs and

requirements are dealt with sensitively and in an appropriate manner.

All residents affected by the regeneration programme will have access to independent advice funded by the Council throughout the regeneration project.

We understand that certain residents will need more support than others and we will offer additional support to older and vulnerable residents where needed.

We recognise that the existing community has a key role to play in creating the new Sheerwater. By listening to you, responding to your needs and keeping our promises, we can together build an environment in which people, communities and businesses thrive.



Councillor David Bittleston  
Woking Borough Council

# 1.0 COMMITMENTS TO COUNCIL TENANTS

We will work together with Council Tenants in an open and honest way to arrive at decisions that are best for the whole community living in the Sheerwater regeneration area. We will work closely with people in the community to help everyone understand the regeneration proposals and the housing options available. Particular care will be taken to ensure that elderly and vulnerable residents receive the support and advice to help them understand and manage their concerns during the regeneration process.

It is our intention to discuss timescales, moving and rehousing arrangements with each individual household. These detailed discussions will not start until the scheme has received planning permission.

In order to minimise the impact of you moving home, we are making a series of commitments regarding communication, support and rehousing options. These commitments are explained in this document.

We will be on hand throughout the relocation process to answer any queries you may have and understand your personal circumstances to ensure your housing needs are met.

## 1.1 Our core commitments to you

We will ensure that all Council Tenants living within the Sheerwater regeneration boundary are provided with the appropriate support and assistance to help them understand the

relocation process and to make moving to a new home as simple as possible.

To help you with this, we are making the following commitments.

- We will do everything we can to ensure that anyone currently living in Sheerwater can remain in Sheerwater or has the opportunity to return to Sheerwater should they need to move as part of the regeneration project.
- We will ensure you are given priority status when applying for a new home through the Council's Choice Based Lettings Scheme, known as Hometrak.
- We will ensure your housing and support needs are correctly assessed so you can move to a property which best meets your needs.

We will pay for you to have access to advice through a recognised independent tenant adviser. Any services that the Council pays for must be agreed in advance.

## 1.2 Engagement and Support

We will provide regular opportunities for you to be informed of and consulted on all issues affecting you during the regeneration process.

Meetings will be held with individual Council Tenants on the specific issues that affect them.

To help you make the best decisions for you and your family, we will ensure that you are fully aware

of the options available to you regarding the allocation of your new home.

We will contact you at least 12 months prior to any moving date to give you sufficient time to make the necessary arrangements.

### 1.3 Being Open and Honest

- We will ensure that all rehousing options are equal, fair and inclusive of all.
- We will make sure that the compensation process is fair and transparent.
- We will make sure that payments are made quickly.

### 1.4 Elderly and Vulnerable Tenants

If you are an elderly or vulnerable Council Tenant, we will provide additional help and support during the regeneration process. This could include:

- full packing and unpacking service
- help to claim benefits to which you may be entitled
- ensuring the change of utilities (gas, electric, water etc.) runs smoothly
- ensuring the continuation of your care and support
- ensuring your new property meets your care and support needs.

### 1.5 Rehousing Options

As a secure Council Tenant living in the Sheerwater regeneration area, you currently pay

a social rent. If you move to a new home of the same size within the regeneration area you will continue to pay a social rent.

As an existing Council Tenant, if you wish to remain in or return to Sheerwater, we are committed to rehousing you in Sheerwater where possible. We will ensure that wherever possible tenants being rehoused only have to move once. However, due to the nature of the regeneration process this will not always be possible and some tenants, wishing to remain in Sheerwater, may have to move twice.

All Council Tenants who have to move will be allocated 'Band B' priority status under the Choice Based Lettings Scheme, known as Hometrak, and the Council will work with you to make a direct offer of alternative accommodation.

If, as an existing Council Tenant, you choose to move away from Sheerwater, you will be given the option to move to suitable alternative accommodation owned and managed by the Council where this is available.

We will give you a minimum of 12 months notice before you have to move from your existing home.

If you currently live in the regeneration area, but make a successful bid for an alternative property via the Choice Based Lettings Scheme before your property is needed for the regeneration project to go ahead, you will not be entitled to a Home Loss Payment or Disturbance Payments.

If you wish to consider moving to a housing association property, the Council may be able to nominate you through one of our preferred registered housing provider partners.



## 1.6 Property Entitlement

Whatever rehousing option you choose, you will be offered a new home based on your assessed need in line with the Council's Housing Allocations Scheme.

- If you are currently living in an overcrowded property you will be offered a home that better matches your housing need. Your new rent will be assessed based on the new property.
- If you are currently under-occupying a property you will be offered a home that better matches your housing need. In certain circumstances, a property with one additional bedroom will be offered.

If you have another person that the Council has agreed can live with you in your existing home, he/she will be relocated with you.

If you have qualifying adult children living with you in your existing home, they will have the option of moving to a separate property of their own. In these circumstances, each household would be rehoused in accommodation with the correct number of bedrooms for their household size.

If you require adaptations to your property due to your care and support needs, or those of a family member, you will be given a commitment that this will be carried out before you are required to move into a new home. Any necessary adaptations will be carried out in consultation

with the tenant, their relatives, and with the advice of appropriate care and support professionals such as an Occupational Therapist.

If you are rehoused in a new property within the regeneration area you will be able to choose some of the finishes within your new home, including kitchen and bathroom finishes.

## 1.7 Compensation

Our proposed compensation package is designed to ensure that Council Tenants are properly compensated for moving home.

There are two categories of compensation payments: Home Loss Payments and Disturbance Payments.

### 1.7.1 Home Loss Payments

As a Council Tenant being rehoused because of the Sheerwater regeneration project, you can claim a Home Loss Payment, which is currently set by the Government at ~~£5,300~~ **£7,100\***

To be eligible for the Home Loss Payment, you must have occupied the property as your only or main residence for a period of one year prior to the date you have to move out of your property.

Any Home Loss Payment you are eligible for will be paid directly to you by the Council. The Council has the right to off-set any Home Loss Payment against any debts you currently owe to the Council.

\* Government Statutory Instrument 2021 No 841 that came into force 1 October 2021.

## 1.7.2 Disturbance Payments

As a Council Tenant, you are also entitled to receive a compensation package based on the size of your property. The sum you will receive is as set out in the table below.

Studio	<del>£1,600</del>	£2,250*
1 bed	<del>£1,900</del>	£2,650*
2 bed	<del>£2,400</del>	£3,300*
3 bed	<del>£3,150</del>	£4,400*
4 bed	<del>£3,600</del>	£4,950*
5 bed	<del>£3,800</del>	£5,200*

This payment is to cover the costs you will incur in moving home. However, you will not have to produce receipts to claim the payment, and you will receive it even if you have not spent that amount in moving home. These payments will be increased in line with the statutory Home Loss Payment.

The Council will also organise your house move and pay the removal costs provided you move from one secure tenancy to another secure tenancy within Woking Borough.

Disturbance Payments will not be off-set against any existing debt that a tenant may owe to the Council.

## 1.8 Right to Improve

Some Council Tenants may be able to claim compensation for any improvements made to their existing property, in accordance with Woking Borough Council's Housing Policy. This will only apply where tenants received written permission from the Council prior to any improvements being made.

## 1.9 Right to Buy

A tenant's Right to Buy accumulated discount will remain with the tenant should they be relocated by the regeneration scheme. The tenant can then choose to exercise their right to buy when they are next in a qualifying Woking Borough Council tenancy.

## 1.10 Possession Proceedings

It is important to stress that the offer of compensation payments above the statutory minimum will only be available to those tenants who agree terms with the Council without the need for the Council to take legal action.

\* Government Statutory Instrument 2021 No 841 that came into force 1 October 2021.



## 2.0 COMMITMENTS TO FREEHOLDERS & LEASEHOLDERS

We will work together with Freeholders and Leaseholders in an open and honest way to arrive at decisions that are best for the whole community living in the Sheerwater regeneration area. We will work closely with people in the community to help everyone understand the regeneration proposals and the housing options available. Particular care will be taken to ensure that elderly and vulnerable residents receive support and advice to help them understand and manage their concerns during the regeneration process.

If we do need to purchase your property, it is our intention to discuss arrangements and timescales with each individual freeholder and leaseholder. These discussions will not start until the scheme has received planning permission.

In order to minimise the likely impact of your property being purchased by the Council, we are making a series of commitments regarding communication, valuation and compensation. These commitments are explained in this document.

We will be on hand throughout the regeneration process to answer any queries you may have and understand your personal circumstances.

### 2.1 Our core commitments to you

We will ensure that as Freeholders and Leaseholders living within the Sheerwater

regeneration area, you are given the support and assistance to help you understand the regeneration process and to make moving to a new home as easy as possible.

Should your existing property be required as part of the regeneration, we will offer the following, once the scheme has received planning permission.

- If you are a resident homeowner and it is necessary for the Council to purchase your home, the Council will pay the market value for your home plus 17.5%. You will have the right of first refusal to buy a new property in the regeneration area, subject to availability.
- If you are a non-resident homeowner and it is necessary for the Council to purchase your property, the Council will pay the market value for your property plus ~~12.5%~~ **17.5% \***

It is important to stress that the offer of first refusal of a new property and compensation payments above the statutory minimum will only be available to those Freeholders and Leaseholders who agree terms with the Council. Should a Compulsory Purchase Order need to be made, only the statutory minimum compensation will be available.

Freeholders and Leaseholders will need to have owned their property on 3 December 2015 in order to qualify for compensation and assistance

\*Change made under delegated Authority, November 2017.



above the statutory minimum from the Council. Resident homeowners will need to have been continuously resident in their property since 3 December 2015 in order to qualify for the compensation and assistance, above the statutory minimum, available to resident homeowners.

## 2.2 Engagement and support

We will provide regular opportunities for Freeholders and Leaseholders to be consulted on and informed of all issues affecting them during the regeneration process.

Meetings will be held with individual Freeholders and Leaseholders on the specific issues affecting them as required.

All residents will be entitled to an independent qualified surveyor to represent them in negotiations relating to the purchase of their property.

Freeholders and Leaseholders will be advised of the contact details of the Royal Institute of Chartered Surveyors and provided with a list of contact details of independent qualified surveyors so that they can choose a surveyor to represent them.

All Freeholders and Leaseholders will be contacted at least 12 months prior to any moving date to give them sufficient time to make moving arrangements.

We will ensure that we understand your personal property situation and will keep in regular contact with you to provide updates on the progress of

the regeneration scheme and any issues that may affect you.

## 2.3 Property Valuation

We will arrange for an accredited chartered surveyor to visit your property to calculate the market value of your property. Following this visit, the surveyor will send you written notification of their evaluation of the market value of your property.

The Royal Institution of Chartered Surveyors defines market value as:

***“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”***

In other words, market value is the price that a buyer is willing and able to pay, and a seller willing to accept, when the sale has been properly marketed and no unfair conditions have been in force.

Market value may be different from the sum that an estate agent estimates your property to be worth. It is important to understand that an estate agent **does not** value your property, it only sets the asking price for the property. An estate agent has no qualification in property valuation, and their estimation would not be accepted by an insurance company as a basis for your buildings insurance or a bank or building society as the basis for a mortgage.

The Council resolved on 8 February 2018 to authorise the use of the District Valuer to determine valuations of properties where owners do not wish to use Frazers or dispute Frazers' Valuation.



A property valuation is carried out by a qualified chartered surveyor and costs several hundred pounds. In determining the market value of your property, the surveyor will need to disregard both the effects of the regeneration scheme and the compulsory nature of the purchase. The valuation will reflect any development value in the property that would have existed in the absence of the scheme.

## **2.4 Purchase of a New Home**

Freeholders and Leaseholders will be given the opportunity to purchase a new property from within the scheme at the market price, and be given first refusal of new properties for sale, subject to availability.

### **2.4.1 Mortgage Transfer**

Where losses occur because of having to transfer a mortgage and, provided the losses are as a consequence of the purchase of a new property, the Freeholder or Leaseholder will be entitled to compensation.

Where a fixed mortgage at a favourable rate is replaced with a new mortgage at a higher rate, which will be more expensive, compensation will be paid. Any compensation will be based on the difference between the net amount it would cost to repay the outstanding mortgage at the old rate and how much it would cost at the new rate.

For example, let us assume you are currently paying an annual interest rate of 3% on the value of your mortgage, fixed for a year at the time that we purchase your property. Subsequently you are

forced to take out a mortgage at a higher annual rate of 4%. In this instance, you would be entitled to claim back the difference in the payments for the purchase of your property for a minimum 12 month period. The Council would consider extending this protection up to a period of five years in exceptional circumstances.

### **2.4.2 Assisted Purchase**

Where a Resident Homeowner is required to move from within the regeneration area and cannot afford to acquire a new property within the regeneration scheme, the Council will offer to take a stake in a new property. The stake would be capped at 33% of the market value of the new property or £100,000, whichever is the lesser.

The new property can be located anywhere in mainland UK and must be approved by the Council to ensure that the value of the Council's investment is protected. Normally, the Council will expect the equity stake to be applied to a house of the same number of bedrooms as the existing Council property. However, should the household need justify increasing the size of the property then this will be considered by the Council.

The Council, at no cost to the owner, will hold the stake as an equity share. Upon subsequent disposal of the property, the Council will be repaid in the same proportion of the final sale price as the initial equity investment.

As your financial circumstances change you will be able to increase your stake to full ownership by buying additional equity at the current market value.

Assisted purchase support is only available to Resident Homeowners who work with the Council, rather than requiring a Compulsory Purchase Order.

### Example

A person's three bedroom home is within the regeneration area. The house is independently valued at £200,000 and the person has a mortgage of £25,000 outstanding on the property. The Council (or subsidiary) would pay the market value plus 17.5% compensation, creating a total payment of £235,000.

The homeowner has identified a new property in the regeneration area to move to valued independently at £250,000. After allowing for costs, the Council and the homeowner have agreed that the homeowner can afford to pay £220,000 towards the cost of the new property. To allow the homeowner to remain in Sheerwater, the Council would take an equity stake of £30,000 (interest free) in the property, allowing the person to buy the new home at the same value as their existing property.

The mortgage of £25,000 would remain the same. Should the person not be able to transfer their existing mortgage the Council would offer a mortgage of the same value to ensure the move was possible.

### 2.4.3 Mortgage of Last Resort

The Council will act as a lender of last resort for Resident Homeowners required to move from within the regeneration area who cannot secure a mortgage to acquire a new property within Woking Borough. As with existing Council mortgages, the interest rate will be set by the Secretary of State.

Resident Homeowners, who express an interest in purchasing a new home within the regeneration area, will be advised at the earliest possible stage of the expected purchase price, service charge, ground rent and Council Tax of new homes.

The Council will agree to a 'lock in agreement' that will set out the compensation deal available to qualifying Resident Homeowners at any point once approval for the Sheerwater regeneration project has been granted by the Council, as opposed to waiting until the property is needed. This will enable qualifying Resident Homeowners to agree their compensation package in advance.

### 2.5 Compulsory Purchase Order

In the event that we are unable to successfully negotiate a property valuation and agree a compensation package with a Freeholder or Leaseholder we will, as a last resort, seek to use our compulsory purchase powers by making a Compulsory Purchase Order. This process would be subject to confirmation by the Secretary of State.



## 3.0 COMMITMENTS TO COUNCIL SHARED OWNERSHIP RESIDENTS

We will work together with Council Shared Ownership Residents in an open and honest way to arrive at decisions that are best for the whole community living in the Sheerwater regeneration area. We will work closely with people in the community to help everyone understand the regeneration proposals and the rehousing options available. Particular care will be taken to ensure that elderly and vulnerable residents receive support and advice to help them understand and manage their concerns during the regeneration process.

If we do need to purchase your property, it is our intention to discuss arrangements and timescales with each individual Council Shared Ownership Resident. These discussions will start once the scheme has received planning permission.

In order to minimise the likely impact of your property being purchased by the Council, we are making a series of commitments regarding communication, valuation and compensation. These commitments are explained in this document.

We will be on hand throughout the regeneration process to answer any queries you may have and understand your personal circumstances.

### 3.1 Our core commitments to you

We will ensure that all Council Shared Ownership Residents living within the Sheerwater

regeneration red line area are provided with the appropriate support and assistance to help them understand the regeneration process and make moving to a new home as straightforward as possible.

Should your existing property be required as part of the regeneration, we will offer the following, once the scheme has received planning permission.

- We will offer you the opportunity to purchase an equity share, of 20% or more, in one of the new build properties within the regeneration scheme.
- We will pay the market value of the equity share that you own in your property plus a Home Loss Payment of 10% of your current equity share (from a minimum of ~~£5,300~~ up to a maximum of ~~£53,000~~). ~~£71,000\*~~ **£7,100\***
- We will also pay reasonable removal costs and expenses, known as Disturbance Payments.
- We will cover any reasonable legal and surveying fees when we buy your existing property and you purchase your new home.
- Alternatively, you may wish to accept our compensation offer and secure alternate accommodation via the open market.

\* Government Statutory Instrument 2021 No 841 that came into force 1 October 2021.

### 3.2 Engagement and support

We will provide regular opportunities for all Council Shared Ownership Residents to be informed of and consulted on all issues affecting them during the regeneration process.

Meetings will be held with individual Council Shared Ownership Residents on the specific issues affecting them as required.

All residents will be entitled to an independent qualified surveyor to represent them in negotiations relating to the purchase of their property, paid for by the Council. This includes agreeing the market value of the equity stake and the negotiation of any claims for compensation.

Council Shared Ownership Residents will be advised of the contact details of Royal Institute of Chartered Surveyors and given a list of contact details of independent surveyors so that they can choose a surveyor to represent them.

All Council Shared Ownership Residents will be contacted at least 12 months prior to any moving date to give them sufficient time to make moving arrangements.

We will ensure that we understand your personal property situation and we will keep in regular contact with you to provide updates on the progress of the regeneration scheme and any issues that may affect you.

### 3.3 Valuation of your Equity Stake

We will arrange for an accredited chartered surveyor to visit your property to work out the market value of your equity stake in your existing

property. Following this visit, the surveyor will send you written notification of their evaluation of the market value of your equity stake.

The Royal Institute of Chartered Surveyors defines market value as:

***“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”***

In other words, market value is the price that a buyer is willing and able to pay, and a seller willing to accept, when the sale has been properly marketed and no unfair conditions have been in force.

Market value may be different from the sum that an estate agent ‘estimates your property to be worth’. It is important to understand that an estate agent **does not** value your property, it only sets the asking price for the property. An estate agent has no qualification in house valuation, and their estimation would not be accepted by an insurance company as a basis for your buildings insurance or a bank or building society as the basis for a mortgage.

A property valuation is carried out by a qualified surveyor and costs several hundred pounds. In determining the market value of the equity stake in your property, the surveyor will need to disregard both the effects of the regeneration scheme and the compulsory nature of the purchase.

The Council resolved on 8 February 2018 to authorise the use of the District Valuer to determine valuations of properties where owners do not wish to use Frazers or dispute Frazers' Valuation.



The valuation will reflect any development value in the property that would have existed in the absence of the scheme.

### 3.4 Compensation

Our proposed compensation package is designed to ensure that Council Shared Ownership Residents are no better or worse off following any purchase than they were before.

There are two categories of compensation payments: Home Loss Payments and Disturbance Payments. The Government sets the definition and minimum and maximum level of these payments.

#### 3.4.1 Home Loss Payments

In addition to the market value of your equity stake in the property, Council Shared Ownership Residents are entitled to a Home Loss Payment of an additional 10% of the market value of your equity stake in your existing property, subject to a minimum and maximum amount. From 1 October 2015, the minimum payment is ~~£5,300~~ and the maximum payment is ~~£53,000~~. ~~£7,100\*~~  
~~£71,000\*~~

#### 3.4.2 Disturbance Payments

In addition to the market value of your equity stake in the property and Home Loss Payment, you may be entitled to Disturbance Payments.

Disturbance Payments include the amount of any reasonable legal or other professional costs incurred by you in connection with the property purchase.

Council Shared Ownership Residents will be entitled to Disturbance Payments covering any other reasonable costs incurred during the sale of their equity stake in the property to the Council, and purchase of an equity stake in a new property.

Reasonable costs will include, but are not restricted to, the following items:

- removal costs and expenses
- legal fees and Stamp Duty Land Tax arising from the acquisition of a replacement property
- surveyor's fees arising from the purchase of a replacement property
- mortgage redemption and arrangement fees
- redirection of mail for up to 12 months
- disconnection and reconnection of services and appliances
- other necessary and reasonable charges subject to prior agreement with the Council.

All Disturbance Payments must be agreed in advance and accompanied by invoices and receipts to justify your claim.

### 3.5 Purchase of an Equity Stake in a New Home

We will assist Council Shared Ownership Residents required to move as part of the regeneration to secure alternative accommodation. Additional support will be given to older and vulnerable residents.

\* Government Statutory Instrument 2021 No 841 that came into force 1 October 2021.

We will expect you to commit the value of your equity share plus your Home Loss Payment, but not your Disturbance Payment, towards an equity share in your new property.

You will have the same rights and responsibilities in your new home as a full leaseholder, but you will pay 'rent' to the Council on the part of the property that you do not own.

You will have the right to buy additional equity in your new property right up to full ownership. As you increase the proportion of the property you own, the amount of rent you pay will decrease.

You will pay an annual service charge. We will charge the cost of repairs and improvements to your house in accordance with the terms of your lease.

We will pay reasonable legal and conveyancing costs associated with the purchase of an equity share in your new home.

### 3.5.1 Mortgage Transfer

Where losses occur because of having to transfer a mortgage, provided the losses are as a consequence of the purchase of the new property, Council Shared Ownership Residents are entitled to compensation.

Where a fixed mortgage at a favourable rate is replaced with a new mortgage at a higher rate, which will be more expensive, compensation will be paid. Any compensation will be based on the difference between the net amount it would cost to repay the outstanding mortgage at the old rate and how much it would cost at the new rate.

For example, let us assume you are currently paying an annual interest rate of 3% on the value of your mortgage, fixed for a year at the time that we purchase your property. Subsequently you are forced to take out a mortgage at a higher annual rate of 4%. In this instance, you would be entitled to claim back the difference in the payments for the purchase of your property for a minimum 12 month period. The Council would consider extending this protection up to a period of five years in exceptional circumstances.

### 3.5.2 Mortgagee of Last Resort

The Council will act as a lender of last resort for Council Shared Ownership Residents required to move from within the regeneration area and who cannot secure a mortgage to purchase a new property within Woking Borough. As with existing Council mortgages, the interest rate will be set by the Secretary of State.

We will advise Council Shared Ownership Residents at the earliest possible stage of the expected purchase price, service charge, ground rent and Council Tax for their new homes.

### 3.6 Compulsory Purchase Order

In the event that we are unable to successfully negotiate a valuation of the equity share in the property and agree a compensation package with a Council Shared Ownership Resident we will, as a last resort, seek to use our compulsory purchase powers by making a Compulsory Purchase Order. This process would be subject to confirmation by the Secretary of State.



## 4.0 Commitment to Private Tenants

While there is no compensation package proposed for Private Tenants, the Council is committed to providing advice and support to those affected by the regeneration proposals through its Housing Options Team.

Property owners will be contacted at least 12 months prior to any moving date, as part of our commitments to freeholders and leaseholders, to

give them sufficient time to advise their private tenants of the need to find alternative accommodation.

For free advice and support for private tenants, please contact the Council's Housing Options Team by calling **01483 743834** or email **[housingoptions.enquiries@woking.gov.uk](mailto:housingoptions.enquiries@woking.gov.uk)**



## 5.0 GLOSSARY

**Affordable Rent:** Housing let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable).

**Basic Loss Payment:** Under the Planning and Compulsory Purchase Act 2004, property investors who meet the qualifications can claim a Basic Loss Payment. This payment is calculated at 7.5% of the market value up to a maximum sum of £75,000.

**Choice Based Lettings (CBL):** Rather than allocating households from the Housing Register and matching them to a vacancy, Choice Base Lettings allows applicants to bid for suitable properties they are interested in on an internet-based system called 'Hometrak'. This allows applicants to view homes that are available, giving them the opportunity to express choice and preference in choosing a suitable new home.

**Compulsory Purchase:** A procedure put in place by an Acquiring Authority (such as a Council) to acquire some land or property in order to facilitate public infrastructure projects.

**Council:** Woking Borough Council or someone acting on its behalf.

**Disturbance Payment:** Compensation you are able to claim if you are forced to move from your home in certain circumstances. Disturbance payments are intended to cover the expenses of moving. Disturbance is usually only available to occupiers of the property. The actual level of compensation will vary from claim to claim and is dependent upon the claimant's specific circumstances. A claimant has a duty to reduce his/her losses.

**Engagement:** An active, ongoing and informed joint working, including people in decision-making processes and working together to implement change. The process is designed to give communities an opportunity to contribute to local decision-making and service delivery.

**Home Loss Payment:** If you are a qualifying occupant of a residential property, you may be entitled to a Home Loss Payment that equates to 10% of the market value of your property, subject to a minimum payment of ~~£5,300~~ <sup>£7,100\*</sup> and a maximum of ~~£53,000~~ <sup>£71,000\*</sup>. Residential tenants may qualify for the minimum payment of ~~£5,300~~ <sup>£7,100\*</sup>.

**Housing Allocations Scheme:** The formal policy, adopted by the Council, to ensure that housing need is aligned with the current and future availability of social and affordable housing in the Borough. Copies of this policy can be obtained by contacting the Council.

\* Government Statutory Instrument 2021 No 841 that came into force 1 October 2021.



**Independent Tenant Adviser:** Independent, impartial and informed advice from a qualified organisation to ensure tenants have the information they need to make informed decisions on all issues affecting their homes and lives.

**Priority Status:** Once an application for rehousing is received by Woking Borough Council it is prioritised into one of five bands from A to E. Band B, known as Priority Status, is the highest level of priority under the Council's Choice Based Lettings System and is used to assist with vital moves. Band A is for emergencies only.

**Resident Homeowners:** To qualify for a Home Loss Payment you must have lived in the property as your main residence for a minimum of one year from the day you moved in. Your interest or

right to occupy the property must be either freehold, leasehold, statutory tenancy or restricted contract under the Rent Act 1977.

**Social Rent:** Social rented housing is owned by local authorities and private registered providers, for which guideline target rents are determined through the national rent regime.

**Vulnerable:** A person in need of special care, support or protection because of their age, disability or risk of abuse or neglect.

**We:** Woking Borough Council or someone acting on its behalf.

**Note:** These definitions apply to words and phrases whether or not they have a capital letter in this Community Charter.



# Sheerwater Regeneration Council Commitments

A COMMUNITY CHARTER FOR THE SHEERWATER REGENERATION  
APPROVED BY WOKING BOROUGH COUNCIL ON 14 JANUARY 2016

Updated October 2021

