

APPENDIX 1

EVALUATING THE OPTIONS FOR THE WINDMILL ESTATE -SUMMARY

The following notes outline the key points from the material that has already been presented to the Windmill Estate Project Steering Group to help structure their decision, based on the critical issues identified at the start of the project. They are not a substitute for the mass of detail which has been tabled and they do not attempt to repeat the assumptions and caveats made in presenting the information. This concise summary should be used in conjunction with other material and not in isolation, particularly the final Consultants Report and the residents survey conducted in February/March 2005.

The **PFI Option** is not examined in detail because the consultants concluded that the size of the estate may be considered too small for a PFI contract. However, if accepted as part of a PFI programme with the necessary "PFI credit", the impact on the Council's HRA is anticipated to be neutral.

STRUCTURING THE DECISION -KEY ISSUES- LIKELY OPTIONS

1. Investment Needs of the Stock-Decent Homes+ medium/long term needs	
STAYING WITH THE COUNCIL	REDEVELOPMENT BY A HOUSING ASSOCIATION
<p>The Council would be able to meet the Decent Homes Standard within available resources as a maximum of 18 properties are considered to fall below this standard in 2004/05.</p> <p>The position in the medium to longer term will be the same as for the rest of the housing stock and is being considered as part of the wider stock options appraisal process.</p>	<p>This would help the Council meet the government deadline for Decent Homes in respect of the Council-owned units on the estate without any further investment by the Council.</p> <p>It would also enable the provision of a higher standard of homes and a sustainable mixed tenure development for the longer term (60+ years).</p> <p>There is a funding shortfall of up to £2m associated with this option which will need to be addressed through available external funding sources.</p>

2. Impact on the HRA	
STAYING WITH THE COUNCIL	REDEVELOPMENT BY A HOUSING ASSOCIATION
<p>Neutral.</p> <p>The implications for the HRA of stock retention are addressed as part of the ongoing wider stock options appraisal.</p>	<p>This could provide a benefit to the HRA of £23,000 over the first three years following transfer to a Housing Association, after a cost in the first year.</p>

3. Tenant priorities-investment and development	
STAYING WITH THE COUNCIL	REDEVELOPMENT BY A HOUSING ASSOCIATION
<p>It is likely that none of the tenants desired improvements to the estate would be possible within the Housing Capital Programme.</p> <p>The Council would be unable to provide</p>	<p>Would provide new homes for existing residents and enable the provision of additional affordable housing to meet identified local housing needs.</p> <p>The Tenanted Market Value (TMV) is</p>

investment for more affordable housing on the estate.	£543,000. The Council may, however, have to transfer properties on the estate at nil cost in order to provide some public subsidy for the scheme.
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4. Impact on Corporate Objectives and Community Strategy	
STAYING WITH THE COUNCIL	REDEVELOPMENT BY A HOUSING ASSOCIATION
The current estate layout and design is a significant contributory factor to the perceived problems of crime and anti-social behaviour. Significant resources would therefore need to be identified within the housing capital programme to provide a solution to these issues. If such investment is not possible within available resources a number of community strategy priorities that link to the Windmill Estate eg LPSA for young people will be at risk.	The redevelopment will incorporate design features that will address current issues around community safety and anti-social behaviour. The scheme will be a partnership project between the Council, Housing Association, residents, local community and statutory and non-statutory agencies. A redevelopment scheme would aim to help improve the health and quality of life of local people and contribute to the successful delivery of the Community Strategy.

5. Impact on the Councils' Housing Objectives	
STAYING WITH THE COUNCIL	REDEVELOPMENT BY A HOUSING ASSOCIATION
The achievement of the Decent Homes Standard is possible in the short term although maintaining this standard in the longer term will depend on the Council's financial position and this will be addressed as part of the wider ongoing stock options appraisal. If there are any reductions needed in HRA spending (as an alternative to increased charges) this would also reduce the Council's ability to promote sustainable communities.	A redevelopment scheme would protect existing residents as far as possible and allow for improvements above current service levels. There would also be a net gain of affordable housing to offset any capital receipt forgone. For example under the current proposal submitted by Nene HS if 250 units can be achieved 181 (72%) of these would be affordable homes (46 Shared Ownership plus 135 social rented).

6. Consultation Results	
STAYING WITH THE COUNCIL	REDEVELOPMENT BY A HOUSING ASSOCIATION
Of those residents from whom a response has been received to a survey carried out by the Council in February/March 2005 32 (33%) are in favour of stock retention by the Council, 40 (41%) against and 25 (26%) are undecided or who have not expressed an opinion on this option. Note: 7 (25%) of those that answered	Of those residents from whom a response has been received to a survey carried out by the Council in February/March 2005 69 (58%) are in favour of redevelopment, 34 (29%) against and 15 (13%) are undecided or who have not expressed an opinion on this option. The Parish Council have also expressed their support for a redevelopment

'yes' to remain with the Council expressed a wish for improvements, such as modernisation of kitchen, hardstandings, etc which are beyond the scope of the Decent Homes Standard.	scheme subject to the fulfilment of certain conditions which have been taken into account by the Project Steering Group.
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7. Deliverability	
STAYING WITH THE COUNCIL	REDEVELOPMENT BY A HOUSING ASSOCIATION
<p>The Council will be able to achieve the Decent Homes standard at least in the short term as only a maximum of 18 homes on the estate currently do not meet this standard (due to inadequate central heating systems).</p> <p>The position in the longer term will be the same as for the rest of the housing stock and is being considered as part of the wider stock options appraisal process. With regard to any enhanced improvements to the properties and, importantly, the physical environment of the estate, parking, security, play space, etc this could not be afforded without further investment and this has not been accounted for within the Housing Capital programme. To provide these would mean securing additional resources and/or redirecting resources from other programmes which will have implications for planned works to other dwellings.</p>	<p>A redevelopment scheme can be achieved through disposal of vacant units to Nene Housing Society and voluntary participation of owner-occupiers although the extent of the scheme will be largely dependent on the co-operation of all residents ie tenants and owner-occupiers. The timescale for delivery will also be dependent on the success of a relocation programme and financial packages that can be made available. There is also the issue of the deficit in funding of approximately £2m that will need to be addressed although discussions with external funding agencies are already in progress. However, the outcome of these negotiations are uncertain at this time.</p>

8. Implications for employees	
STAYING WITH THE COUNCIL	REDEVELOPMENT BY A HOUSING ASSOCIATION
<p>None specifically in relation to the Windmill project although the wider housing stock appraisal process may have implications for all staff.</p>	<p>It has been assumed by the consultants Tribal HCH in their partial options report there would be no savings on management costs which means that existing staff who spend time on the Windmill Estate would remain with the Council in the event that a redevelopment scheme is agreed. Even with no management savings the transfer of the Windmill Estate would achieve a benefit to the HRA of £23,000 over the first three years following transfer, after a cost in the first year.</p>

9. Value for money issues	
STAYING WITH THE COUNCIL	REDEVELOPMENT BY A HOUSING ASSOCIATION

	ASSOCIATION
<p>Financial pressures would make achieving value for money more difficult with the balance between capital and revenue spending driven by the potential need to reduce both, rather than prudent, property related decisions. The council would have to pursue government efficiency savings.</p> <p>The needs of the stock (including the Windmill Estate) would be in competition with other council objectives for scarce capital resources.</p> <p>Tenants would have the Right to Buy with this option.</p> <p>With Rent Convergence rent levels will move towards Housing Association levels. However, given that the rent formula includes capital values as well as average income levels the existing units will attract a lower rent than both older traditionally built housing and new properties of a similar size and type.</p> <p>In addition the applicable Council Tax banding is likely to be higher than for the existing properties which fall which are Band A properties, again, this reflects their capital value.</p>	<p>The housing association redevelopment partner would have fully funded revenue and capital budgets, vetted by risk adverse lenders. Programmes could therefore be constructed on the basis of best practice, including value for money. The Council would need to forgo a capital receipt of approximately £543,000 (using TMV) which it could otherwise spend or invest depending on its view at the time, including value for money issues. The HRA would, however, achieve savings of £23,000 in the first 3 years, with a cost in the first year.</p> <p>Tenants would have the Right to Buy only if a mini-stock transfer route were preferred.</p> <p>However, if vacant units are transferred any existing Council tenants who wish to move into one of the new properties would be offered an Assured Tenancy by a Housing Association which will include Right to Acquire rather than Right to Buy. However, the Government are proposing to introduce a new Social Homebuy Scheme which aims to provide greater opportunities for Housing Association tenants to buy their homes (particularly in settlements over 3,000).</p> <p>Also Nene Housing Society will investigate whether any preserved Right to Buy could be offered to former tenants of the Windmill Estate who expressed a wish to return to the estate. However, the actual position is not known at this time.</p> <p>Nene HS rents for any new properties are likely to be higher than the target rents for the existing properties although, under rent restructuring, rents will have to be comparable to properties of a similar age and type within the Council's housing stock.</p>