

## HOUSING BILL

### 1 SUMMARY

- 1.1 This report outlines the key provisions of the Housing Bill which is currently passing through Parliament.

### 2 INTRODUCTION

- 2.1 The Bill introduces a number of changes to various aspects of housing law and practice and, once enacted, these will impact on important areas of the Council's housing work.

- 2.2 The Bill has seven parts:

Part 1 – housing conditions

Part 2 – licensing of houses in multiple occupation (HMOs)

Part 3 – selective licensing of other residential accommodation

Part 4 – additional control provisions in relation to residential accommodation

Part 5 – home information packs

Part 6 – other provision about housing

Part 7 – supplementary and final provisions.

### 3 KEY PROPOSALS

#### Housing conditions

- 3.1 The Bill proposes replacement of the current housing fitness standard with a new Housing, Health and Safety Rating System (HHSRS). The existing standard is acknowledged to be deficient and the new scheme involves an evidence-based risk assessment process across a range of over 20 defined hazards in the home, for example:-

- falls
- fire
- electrical
- crowding and space
- sanitation and drainage
- structural failure

- 3.2 Dependent on the degree of risk that the hazard presents, the Local Authority will have either a duty or a power to take enforcement action. Actions available will include:-

- improvement notices
- prohibition orders
- voluntary or mandatory warning notices
- demolition orders (for the highest risk only)
- clearance areas (for the highest risks only)

Failure to comply with an enforcement requirement can lead to prosecution work in default and financial penalties.

- 3.3 Statutory guidance on the HHSRS system is still being developed.
- 3.4 The new system represents a major change from the long established housing fitness standard and there will be additional training requirements for the staff involved.

### **Licensing of HMOs**

- 3.5 The Bill proposes that houses in multiple occupation which have three storeys or more and in which at least five people live should be subject to mandatory licensing. Councils will have a duty to implement the scheme and to bring forward proposals to deal with any poor management arrangements that exist. A further discretionary scheme for other types of HMOs will exist.
- 3.6 The profile of the District, both in terms of population and house types, means that there are fewer HMOs than, for example, in many city and seaside areas and there are unlikely to be many properties, if any, that fall within the proposed mandatory licensing scheme. Dependant on the detail of the further discretionary powers, consideration may need to be given to adopting these locally.

### **Selective licensing of other residential accommodation/additional control provisions**

- 3.7 There are proposals for the introduction of selective licensing of other privately rented accommodation in areas experiencing low housing demand, anti-social behaviour or other defined neighbourhood criteria.

### **Home Information Packs**

- 3.8 This part of the Bill sets out the much discussed new responsibilities for people selling their houses. The person marketing the home will be required to provide a home information pack, containing prescribed information, when they put their property on the market. The pack will include local search information, warranties and a house condition report.
- 3.9 The Bill also proposes an equivalent provision of information for tenants of social rented accommodation who request an application under the Right to Buy provisions. This will have resource implications for the Council.

## Other provisions about housing

### *Introductory tenancies*

- 3.10 The government proposes to strengthen the rules relating to Introductory Tenancies. An Introductory Tenancy will be able to be extended for a further six months to a total of 18 months if the landlord serves a notice of extension.
- 3.11 Members recently agreed, in principle, that Rochford District Council would adopt Introductory Tenancies and a full consultation exercise is planned to commence from the end of April (along with other issues affecting tenancy agreements).
- 3.12 This further extension would allow the Council to delay granting a secure tenancy if not fully satisfied with the way the tenancy was conducted and to allow further time to investigate or collate information in order to consider an eviction.
- 3.13 This proposal will have minimal impact as changes to tenancies and the information supplied in the Welcome Pack will have to be amended anyway following the adoption of Introductory Tenancies.

### *Right to Buy*

- 3.14 The government proposes to amend the legislation relating to “Right to Buy”. The qualifying period to buy will be extended so that any new tenancy granted after this section becomes law will only be able to apply for the right to buy after five years as a tenant (previously two years). The discounts will remain the same as any tenant of five years standing.
- 3.15 The right to buy will be removed for properties due to be demolished within the next 18 months.
- 3.16 The repayment of the discount on early disposal will be increased from three years to five years with a reduction of one fifth of the discount for every completed year for all new tenancies granted after this Bill.
- 3.17 The repayment of the discount will also be reduced if the increase is attributable to home improvements.
- 3.18 Right of First Refusal for landlords to re-purchase any property sold under “Right to Buy” Regulations for the first ten years.
- 3.19 More information must be supplied to tenants in order that they can make an informed choice about whether to exercise the Right to Buy.
- 3.20 The termination of the Rent to Mortgage Scheme eight months after the passing of the Act.

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*Mutual Exchanges*

- 3.21 The right to assign by way of exchange (a mutual exchange) will be able to be withheld if a Absolute or Suspended Possession Order has been obtained on a tenant under Ground 2 or 14 (anti-social behaviour, immoral or illegal purposes).

*Rights of Succession*

- 3.22 The Right of Succession has been extended to include same-sex couples living together in an equivalent relationship to husband and wife.

*Annual Reports*

- 3.23 The requirement to provide tenants with a yearly Annual report has been removed.

*Decent Homes*

- 3.24 There is a proposal to amend the Bill and introduce a revised tougher standard for heating and insulation by 2016 to raise the decent homes standard. This proposal is backed by 77 Members of Parliament but may not be included in the Act.

**4 RISK IMPLICATIONS****4.1 Resource Risk**

A number of the proposals will require staff training. The costs associated with the requirement to provide Right to Buy applicants with equivalent information to that contained in the home information pack are expected to be offset against Right to Buy capital receipts.

**4.2 Operational Risk**

Operational procedures will require changes to comply with the new legislation.

**4.3 Information Risk**

Amended tenant information will be required in the "Welcome Pack".

**4.4 Regulatory Risk**

Failure to properly implement and comply with the new statutory provisions will expose the Council to risk of legal challenge.

**5 ENVIRONMENTAL IMPLICATIONS**

- 5.1 If the improved decent homes standard is adopted, the aim is to eradicate fuel poverty (DEFRA's definition is that a person spends more than 10% of their income on heating their home). Improved insulation standards would help the environment in reducing the amount of fuel needed and power station emissions.

**6 RESOURCE IMPLICATIONS**

- 6.1 Staff training and amended tenant information and leaflets will be required. The estimated costs of £1,000 can be met from existing budgets.
- 6.2 It has been suggested that Local Authorities may need to use hand-held/palm top computers to conduct surveys under the new HHSRS, but details are not yet clear. If there are likely to be cost implications which cannot be met from agreed budgets, a further report will be brought to the appropriate Committee.

**7 LEGAL IMPLICATIONS**

- 7.1 Any changes between the Bill and the legislation which is finally enacted, and the implementation dates for each of the provisions, will have to be monitored to ensure the Council complies with legal requirements.

**8 RECOMMENDATION**

- 8.1 It is proposed that the Committee **RESOLVES**
- (1) To note the provisions of the Housing Bill.
  - (2) To authorise appropriate publicity about the changes.

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**Background Papers:**

None

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