
HOUSING RENEWAL

1 SUMMARY

- 1.1 To advise Members of changes in the legal framework relating to private sector housing renewal grants and wide-ranging new powers to develop different forms of assistance for private sector property renewal.
- 1.2 The Council must develop a private sector renewal policy by July 2003.

2 INTRODUCTION

- 2.1 The Office of the Deputy Prime Minister (ODPM) has issued a consultative document which explains the purpose and content of a Regulatory Reform Order (the Order) which came into effect on 18 July 2002. Although the guidance is in draft form the ODPM has indicated that it should be used immediately in considering implementation of the Order, as the final form will not differ greatly from the draft.
- 2.2 Poor quality housing can have an effect on the health of occupants and on the quality of life in an area. The Government's view is that it is primarily the responsibility of homeowners to maintain their property, but it accepts that some - particularly the elderly and most vulnerable - do not have the necessary resources to do this. Local authorities have an important role to provide assistance in these cases.
- 2.3 Local Authorities have extensive powers to intervene where they consider housing conditions to be unacceptable. This can include formal enforcement action under housing fitness legislation. The Government proposes in due course to replace the 80 year old housing fitness standard with a new housing, health and safety rating system which will more effectively allow the hazards found in dwellings to be addressed.
- 2.3 The Order provides Local Authorities with a much greater degree of flexibility in devising a strategy to deal with poor condition private sector housing. However, before the new powers contained in the Order can be used, the authority must publish a policy setting out how it intends to use them.

3 STRATEGIC CONTEXT

- 3.1 A private sector housing renewal policy should reflect other key policies at national, regional and local level including the UK Fuel Poverty Strategy, Supporting People, Regional Housing Strategy, Corporate/Best Value Performance Plan and Community Plan.

3.2 Housing can contribute to fulfilling other corporate objectives, including crime and disorder reduction, social inclusion and improvements in health and social care, for example:-

- *Social Care and health strategies*

Housing, social services and health are increasingly delivering integrated services for vulnerable households that recognise the benefits of enabling people to stay in their own homes wherever possible. Poor housing can be a barrier for older and disabled people, contributing to immobility, social exclusion, ill health and depression. Private sector renewal policies can contribute by facilitating hospital discharge and preventing hospitalisation, and by enabling people to live secure, safe, well-maintained warm and suitable housing.

- *Strategies to tackle crime and anti-social behaviour*

The design of housing, security measures etc. can assist in reducing crime and the provision of services such as mediation can reduce anti-social behaviour. Returning empty houses into residential use reduces the risk of vandalism and crime and helps prevent deterioration of an area.

- *Fuel poverty and energy efficiency strategies*

Housing renewal should play an important role within the broader context of Local Agenda 21. The majority of poorly insulated and heated homes are in the private sector.

4 POLICY DEVELOPMENT

4.1 In producing its private sector renewal policy the Council will need to work with a range of others, including:-

- other local authorities
- consultative bodies such as the Local Strategic Partnership
- housing associations, private landlords, developers
- health services and social care services
- financial institutions
- home improvement agencies
- local builders and suppliers
- community safety partnership
- educational bodies
- voluntary sector

4.2 The policy needs to be relevant to local issues and should be based on evidence. Some of the basic information needed will be:-

- stock condition data, including energy efficiency

- knowledge and understanding of the local housing market
- details of the prevailing social and economic conditions, including fuel poverty
- profiles of age and health of the local population, data indicating demographic changes and trends.

4.3 The Council will need to consider its policy options, and establish priorities. The policy is likely to have to deal with a range of issues, focusing on, for example:-

Client based policies

- older people
- disabled people
- vulnerable groups
- minority ethnic residents

Area based policies

- any concentration of run down private sector housing which may be identified

Property based policies

- residential park homes
- empty homes and accommodation above shops

Sector based policies

- multiply occupied dwellings
- supported lodgings
- conversion of property to rented accommodation

Theme based policies

- fuel poverty and energy efficiency
- security and crime prevention
- maintenance initiatives
- hospital discharge schemes
- home accident or health and safety initiatives

5 POLICY TOOLS

5.1 The Order gives Local Authorities much greater discretion on how they provide assistance for housing renewal, focusing on dealing with the local priorities identified in the strategy.

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- 5.2 Assistance given under the new general power can be unconditional or subject to conditions, for example, the requirement to repay a grant if the property is sold within a specified period.
- 5.3 The Order also gives protection related to the giving of assistance, whether it is given as a grant, loan or other form of help. It requires that:
- authorities set out in writing the terms and conditions under which assistance is being given, and
 - before giving assistance the authority must be satisfied the person has received appropriate advice and assistance, and
 - before making a loan or requiring repayment of a loan or grant, the authority must have regard to the person's ability to afford to make a contribution or payment.

Grant Assistance

- 5.4 The detailed legislative provisions relating to Renovation Grants and Home Repair Assistance are repealed by the Order. Local Authorities can still make grants available where appropriate. In such cases the Local Authority may apply a means test.
- 5.5 Grants are likely to be most appropriate for minor items of work, where the cost of arranging loan finance cannot be justified or where the financial circumstances of the applicant are such that any other form of financial assistance would be inappropriate.
- 5.6 The question as to whether landlords should qualify for financial assistance will also need to be considered.

Loan assistance

- 5.7 Local Authorities will be able to provide financial assistance other than by grants in a form which may require the owner to make some financial contribution or repayment. The authority must have regard to the person's ability to afford to make a contribution or repayment. If they are not in such a position, then assistance by some other means, such as grant would be necessary.
- 5.8 Equity release schemes may be appropriate in some circumstances, to enable essential repairs to be carried out.
- 5.9 The Order allows Local Authorities to work with third parties to provide assistance.
- 5.10 Given the potential complexities of providing financial advice and assistance, a crucial question is whether the Council will wish to become involved directly. There are wide ranging financial and legal

implications and the administration costs are likely to be relatively large. It may be better to work with and through third party bodies either alone or perhaps to better advantage with a group of other local authorities.

5.11 The Government has stated that “a blanket no assistance policy, whether for grants, loans or both, would be unacceptable”. Authorities should also avoid fettering their discretion to provide assistance.

5.12 It is difficult to see how a loans facility could be established by next July.

Undertaking works

5.13 The Council may commission works through agents such as a housing association, or may carry out work themselves to improve or repair properties.

Supporting purchase and relocation

5.14 The new powers can be used to assist where a person’s home is clearly unsuitable for improvement, repair or adaptation. Financial assistance can be given to enable the purchase of another, more suitable property. There would need to be safeguards to the public purse if such powers are used, but this type of action might be helpful as part of the Council’s adaptations policy for the disabled.

Other forms of assistance

5.15 The Order also allows other methods of providing assistance with housing renewal, including:-

- supply of discounted materials (negotiated with a partner supplier)
- assistance through access to a tool hire scheme
- referral to a home improvement agency for emergency repairs or a handy person scheme
- provision of a list of accredited builders and agents willing to offer a warranty service as part of the ‘Quality Mark’ scheme.

Enforcement

5.16 Clear policies will be needed on the role of enforcement action in dealing with properties that fall below acceptable standards, particularly in the private rented sector and houses in multiple occupation.

6 PREPARING A POLICY

6.1 Prior to using any of the powers to provide assistance contained in the Order, the authority must first have:

- adopted a policy which includes details on the provision of that assistance
 - given public notice of the adoption of the policy
 - made the policy accessible.
- 6.1 The policy must detail the nature and extent of assistance that will be available. It needs to be evidence based, realistic and achievable and to provide the means by which the strategic aims and objectives of the Council will be turned into actions.
- 6.2 The guidance indicates that the policy should contain a range of information, as set out in the appendix to this report.

7 CONCLUSIONS

- 7.1 The Order represents a fundamental change in the private sector housing renewal framework. The timetable to produce a well thought out and consulted upon policy is extremely tight, and comes on top of other strategic housing work, particularly that associated with implementing the Homelessness Act 2002.
- 7.2 There is a duty to monitor and revise the policy and it may well be that the framework developed for next July will have to be amended and expanded later.
- 7.3 Any initial views Members may have on what the draft policy should, or should not, include are welcomed. A draft policy will be brought back to a future meeting for consideration, prior to reference up to Community Services Committee for adoption.

8 RESOURCE IMPLICATIONS

- 8.1 For 2002/03 the Council has provision within the capital programme for £127,000 for Private Sector Renewal Grants (PSRG) and £109,000 for Disabled Facility Grants (DFG's). For PSRG, Rochford is required to fund all expenditure and for DFG's we receive grant support of 60% of the grants issued.
- 8.2 Administering these grants is a relatively expensive process as Rochford employs resources to manage these grants and, in addition, has a contract with Springboard Housing Association in the sum of £56,600 to deal with applications and to ensure that the works are carried out. Of the £56,600 Rochford pays £12,500 from the revenue budget. The Government and Essex County Council are the other funders.
- 8.3 Changes to the involvement of Rochford in the direct grants process should therefore be undertaken with care. However, developments

with Essex County Council within the Local Service Agreement framework might assist with the administration of grants as suggested in the report to Policy & Finance Committee on 3rd October, 2002.

- 8.4 For many years this Council has had a policy of not granting mortgages. The administration of a small volume of loans is expensive and at the moment legislation requires that we currently charge 9.4% on these loans. This Authority tried on a number of occasions to encourage holders of Council mortgages to transfer to the private sector but with limited success.
- 8.5 The question has to be asked, in the current market that is available, who does not have access to funds to undertake essential repairs to their property? When areas are identified, what should be the role of the Council?
- 8.6 Given the legislation relating to mortgages and possible equity release schemes the view is that this is an area best left to the private sector. Clearly the Authority could work with lenders, however, there is no longer a 'local market' for mortgages and therefore partnership arrangements may prove difficult.
- 8.7 As regards fees and charges, the Authority mainly deals with the most vulnerable within the private sector and therefore raising finance through this process is not seen as a promising option.
- 8.8 The consultation document states that the Secretary of State is able to provide financial assistance to the Council to discharge new arrangements. It does not say that it will.

9 RECOMMENDATION

It is proposed that this Committee **Resolves**

- (1) any issues it wishes to be considered in the draft private sector renewal policy
- (2) that the draft policy be submitted to a future meeting.

Graham Woolhouse
Head of Housing, Health & Community Care

Background Papers:

Guidance on Regulatory Reform Order on Housing Renewal - Office of the Deputy Prime Minister, July 2002.

For further information please contact Graham Woolhouse on:-

Tel:- 01702 318044

E-Mail:- graham.woolhouse@rochford.gov.uk

APPENDIX

HOUSING RENEWAL POLICY - CONTENT

- How the policy will contribute towards the fulfilment of the Local Authority's strategic aims, objectives and priorities including those expressed through a local strategic partnership;
- how the policy will contribute towards the fulfilment of the Local Authority's housing strategy and any other relevant corporate strategies;
- a statement of the key priorities which the policy will address and the reasons for selecting them;
- the amount of capital resources that will be committed to implementing the policy, including resources provided by partner organisations;
- a description of the types of assistance available, what the assistance will be used for, and what key outcomes will be achieved by each form of assistance;
- the circumstances in which persons will be eligible for assistance;
- the amounts of assistance that will be available to eligible persons, and how these amounts will be determined;
- the types and amounts of preliminary or ancillary fees and charges associated with the provision of assistance that will be payable and in what circumstances;
- the process to be used to apply for assistance, including any preliminary or ancillary fees and charges associated with the provision of assistance that will be payable and in what circumstances;
- the process to be used to apply for assistance, including any preliminary enquiry system;
- how persons can obtain access to the process of applying for assistance;
- details of conditions that will apply to the provision of assistance, how conditions will be enforced and in what circumstances they may be waived;

- advice that is available, including financial advice, to assist persons wishing to enquire about, and apply for, assistance;
- the arrangements for complaints about the policy and its implementation;
- the arrangements for applications for assistance to be considered where these fall outside policy;
- key service standards that will apply to the provision of assistance e.g. how long it will take to approve an application for assistance once submitted, how long it will take for assistance to be completed once approved;
- national performance indicators that are relevant to the policy and the targets that the authority has set itself to improve performance;
- local performance indicators and targets that will be used to measure the progress made by policy implementation towards meeting the authority's strategic aims, objectives and priorities and the fulfilment of corporate strategies;
- a policy implementation plan that will, amongst other things: state the policy commencement date; the planned date when a successor policy document will be issued; the frequency with which policy implementation (including performance against indicators and targets) will be reported and publicised; and the circumstances that might necessitate an earlier review of the policy document.