



## AGENDA ITEM: 11

### SUMMARY

<b>Report for:</b>	<b>Cabinet</b>
<b>Date of meeting:</b>	<b>26 March 2013</b>
<b>PART:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>Environmental Health - Housing Assistance Policy</b>
Contact:	Councillor Neil Harden - Portfolio Holder for Residents and Regulatory Services Rita McGinlay - Group Manager Regulatory Services Nicholas Egerton - Team Leader Environmental Protection & Housing
Purpose of report:	To present to Members for consideration the attached draft Private Sector Housing Assistance Policy which, if approved, will replace the current Private Sector Housing Renewal Strategy.
Recommendations	That the draft Private Sector Housing Assistance Policy as set out in the Appendix to this report be approved.
Corporate objectives:	To produce a robust and sustainable Housing Assistance Policy in line with current best practice and one that provides value for money and most economical use of resources. <b>Affordable Housing</b> Loans will be targeted at those most in need. All the loans require upon completion that the properties are adequately insulated and free from any significant identified hazard(s) as required by the Housing Act 2004. This will have the potential to improve health through improved standards of living. The work on energy efficiency not only helps improve living standards but also helps to reduce fuel poverty which particularly affects low income households. <b>Safe and Clean Environment</b> Improvements made to improve the energy efficiency in homes will help deliver a high quality, low carbon environment, helping to make homes warmer and healthier. Empty properties left vacant for a long period of time are wasteful as well as being a potential problem for residents in nearby properties, either from possible vandalism, the property falling in to disrepair, gardens becoming overgrown or used for dumping rubbish, etc. Assistance will help remove these properties and therefore improve and maintain a clean and safe environment.

	<p><b>Building Community Capacity</b> To work with local communities, partnerships and other agencies to improve the standard of private sector housing within the borough. Housing assistance should lead to improvements in all wards and particularly wards in the lowest quartile of the indices of deprivation. To support the local economy by providing employment opportunities from improvement measures carried out within the Borough.</p> <p><b>Regeneration</b> Financial assistance for Empty Properties and Landlords alongside Health Homes Loans should improve the standard of housing within the borough and remove unused buildings attracting investment into the borough.</p>
<p>Implications:</p> <p>‘Value For Money Implications’</p>	<p><u>Financial</u></p> <p>There are limited financial implications relating to this report. If the cost of applications where the person has not taken the loan are recovered as detailed in Appendix 2 &amp; 3 then the financial risks to this authority are reduced. All capital expenditure for loans will be from the existing capital grant budgets. All officers costs associated with processing the application would be similar to those currently incurred for processing grant applications</p> <p><u>Value for Money</u></p> <p>The Private Sector Housing Assistance Policy will replace the Private Sector Housing Renewal Strategy. This policy will be a move away from grant based assistance (except for disabled facilities grants) towards a loan based approach. This approach should ensure better value for money and help ensure that the assistance policy is more sustainable.</p>
<p>Risk Implications</p>	<p>None arising from this report.</p>
<p>Equalities Implications</p>	<p>An Equality Impact Assessment was carried out 14 March 2013 (see attached). The assessment did not reveal any evidence that the draft policy would have an adverse impact on persons sharing one or more of the nine protected characteristics (i.e. age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; or sexual orientation)</p>
<p>Health And Safety Implications</p>	<p>There are no additional health and safety implications associated with this report.</p>
<p>Monitoring Officer/S.151 Officer Comments</p>	<p><b>Monitoring Officer:</b></p> <p>The provision of assistance to home owners and occupiers in the private sector is one of the services falling within the remit of the Monitoring Officer and, as such, he has been fully consulted on the preparation of the draft Policy.</p>

	<p><b>Deputy S.151 Officer</b></p> <p>There are no additional, material costs for the council arising from the implementation of the proposed loans scheme; the annual budget will be set on the same basis as the current grants scheme which it will be replacing.</p> <p>It is essential that the various debt recovery mitigations outlined within the report are adequately captured within a legally binding contract drawn up for each loan awarded.</p>
Consultees:	<p>Councillor Neil Harden, Portfolio Holder for Residents and Regulatory Services Mark Gaynor, Corporate Director (Housing and Regeneration) Sally Marshall, Corporate Director (Finance and Governance) James Doe, Assistant Director (Planning, Development and Regeneration)</p> <p>Steven Baker - Assistant Director (Legal, Democratic &amp; Regulatory)</p> <p>Housing and Community Overview and Scrutiny Committee</p>
Background papers:	Private Sector Housing Renewal Strategy 2003.
Glossary of acronyms and any other abbreviations used in this report:	

## BACKGROUND

1. The Council currently has a Private Sector Housing Renewal Strategy which was approved by Cabinet on the 4<sup>th</sup> March 2004. This new draft policy aims to replace the existing strategy and considers changes to the legislation and guidance. The draft policy was considered by the Housing and Community Overview and Scrutiny Committee at its meeting in 13<sup>th</sup> March 2013.
2. It has long been accepted that poor quality housing has an impact on the health of occupants and on the quality of life in the area. Responsibility for maintaining privately owned homes rests first and foremost with their owners but some targeted assistance may be available from local authorities and agencies, such as home improvement agencies, for the elderly and less well off, to pay or contribute to carrying out essential maintenance/improvement work.
3. Up until July 2003 local authorities had a range of powers at their disposal to give grants or loans, or provide labour and materials to help homeowners, private sector landlords and tenants to repair or renovate their homes. The main grant giving powers for home improvement were contained in the *Housing Grants, Construction and Regeneration Act 1996*. This Act also governs mandatory disabled facilities grants which remain unaffected (i.e. they are still mandatory).

4. Part I of the 1996 Act provided for authorities to issue discretionary grants (subject to a test of resources) for specific purposes. Home repair assistance (also under Part I of the 1996 Act) allowed authorities to provide assistance for smaller repairs and improvements without having to follow the more detailed procedures required for other grants. These grants were targeted at the elderly, disabled and those in receipt of income-related benefits.

### **Problems with the old system and existing Policy**

5. In March 2001 the Department of Environment, Transport and the Regions (DETR) published a consultation paper, *Private sector housing renewal: reform of the Housing Construction and Regeneration Act 1996, Local Government and Housing Act 1989 and Housing Act 1985*, chapter 5 of this paper set out perceived problems with the private sector renewal system.

*(Note: Housing matters are now the responsibility of Communities and Local Government (CLG))*

### **Grants**

6. The very detailed controls that governed local authorities' powers to give grants under the 1996 Act were viewed as inconsistent with the discretionary regime and the legislation governing loans, which contained far fewer restrictions. The controls, the aim of which was to ensure the effective targeting of public resources, were identified as a factor that actually inhibited authorities' ability to address local needs.
7. The paper also suggested that the widespread use of grants as part of area based renewal work might actually discourage homeowners with resources from carrying out the work themselves.

### **Loans**

8. The restrictions on the use of home improvement loans were far fewer, but nonetheless, it was thought that they prevented authorities from being able to use them effectively. As the rate and terms of interest under which loans were given were linked to those for commercial loans, authorities could not offer preferential loans for home repair, except in very limited circumstances.
9. The regime had prevented authorities from helping to develop "equity release" schemes, in which capital in the home, rather than income, is used to repay a loan. Equity release loans avoid the need for the borrower to make repayments from income and can provide access to capital without reducing people's living standards.

### **The 'new' approach to private sector renewal**

10. In April 2000 the Government published *Quality and Choice: a decent home for all* in which it proposed a new approach to private sector renewal. In place of detailed regulation the then Government set out proposals to use a combination of guidance, local public service agreements and Best Value to set key principles and targets, monitor activity and reward good performance.

11. On 13 December 2001 the Government laid before Parliament a proposal for a draft Regulatory Reform Order under the *Regulatory Reform Act 2001*. This Order proposed a number of changes to the detailed provisions that prescribed how authorities could offer assistance to home-owners and others for the renovation of their properties (see below). The Order was subject to detailed simultaneous scrutiny by the Deregulation and Regulatory Reform Committee in the Commons and the Delegated Powers and Regulatory Reform Committee in the Lords.

### **The Regulatory Reform Order 2002**

12. *The Regulatory Reform (Housing Assistance)(England and Wales) Order 2002*, which was made under the *Regulatory Reform Act 2001* came into force in July 2002. Authorities' powers to provide renovation grants and home repair assistance were revoked and replaced with a system under which authorities are enabled to provide a wide variety of assistance to home owners.

### **Grants and loans**

13. Authorities now have a general power to give financial assistance for home repair, improvement and adaptation. This power is not restricted aside from the fact that authorities must have regard to guidance which sets out overarching principles such as the need to be fair and to:
  - give priority to the most vulnerable households;
  - ensure that applicants for loans are properly advised; and
  - take realistic account of people's ability to contribute, including to equity release loans.
14. Authorities are required to give assistance under these powers in accordance with a published policy. To ensure that the assistance given is targeted effectively, authorities have the power to carry out means testing and to charge for any labour or materials they provide, should they wish to do so. They have the power to set the conditions under which any financial assistance should be repaid and the period over which those conditions should apply. Where they chose to give a loan or to attach conditions to a grant or loan, authorities have the power to waive any requirement to repay it or to reduce the amount they require to be repaid.