

## ***Report to Cabinet***

**Report reference: C/088/2006-07.**  
**Date of meeting: 18 December 2006.**



**Epping Forest  
District Council**

**Portfolio: Housing.**

**Subject: Private Sector Housing Strategy.**

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### **Recommendations:**

- (1) That the Private Sector Housing and the Empty Property Strategies be adopted but their full implementation be delayed:**
  - (a) pending a review of available resources; and**
  - (b) the views of the Housing Scrutiny Panel on the detailed Housing Assistance policy;**
- (2) That to facilitate a move away from grant aided assistance towards a system of loans or equity management for the repair and improvement of private sector dwellings, DDF funding of £10,000 be sought for 2007/08 and 2008/09 for the appointment of a specialist consultant to prepare a revised private sector housing assistance policy;**
- (3) That in order to utilise the additional Go-East funding for Decent Homes the following forms of financial assistance, as set out in the Private Sector Housing Strategy, be implemented:**
  - (a) Decent Homes Assistance to replace the existing Renovation Grant;**
  - (b) Small Works Assistance to replace the existing Homes Repair Assistance; and**
  - (c) Thermal Comfort Grants;**
- (4) That the capital allocation for mandatory Disabled Facilities Grants be retained at £500,000 per annum;**
- (5) That a CSB growth bid in the sum of £5,000 be made for 2007/08 to fund the empty homes 'Finders Fee Scheme'; and**
- (6) That, in order to implement the interim grants regime and the Empty Property Strategy, the establishment be increased by 1 FTE Environmental Health Practitioner at a cost of £41,314 per annum and that a CSB growth bid for 2007/8 be made.**

## **Background:**

1. The Government is placing far greater emphasis on standards in private sector housing and on the contribution this sector needs to make if the demands for affordable and safe housing are to be effectively addressed. The Government has now set a performance target, Public Sector Agreement 7 (PSA7), with regard to vulnerable households living in Decent Homes. The Government's commitment to driving up private sector standards is also shown by the substantial changes and additional powers brought in by the Housing Act 2004. This requires the Council to undertake a fundamental review of its Private Sector Housing Strategy.

2. The revised Strategy will lead to substantial changes in the enforcement of private sector housing standards and the arrangements for giving financial assistance to promote the repair and improvement of sub-standard private sector housing. It will also have to reflect the Government's view that the responsibility for the repair and improvement of private sector homes rests with their owners and provide for more flexible ways of financial assistance and equity release in line with the Regulatory Reform Order 2002.

3. Given the difficulties surrounding the waste management contract at the present time, and in order to deliver the critical elements of the Strategy (including the Empty Property Strategy) and to maximise expenditure of existing capital funds and the additional funding stream received from Go-East (*Recommendation (1)*), it is proposed in the interim to:

- (a) seek the minimum additional resources required; and
- (b) re-prioritise the private sector housing workload within the existing resources.

## **The Strategy:**

4. The proposed Private Sector Housing Strategy and the Empty Property Strategy have not been attached to this agenda but a number of copies have been placed in the Members' Room and are also available on the Council's intranet.

5. The Strategy proposes for the first two years to replace the existing Home Repairs Assistance and Renovation Grants with Small Works Grants and Decent Homes Assistance. New forms of support are also suggested, these being Thermal Comfort Assistance, Empty Property Grants, Conversion Grants and Relocation Grants to supplement discretionary Disabled Facilities Grants. A further report, the Housing Assistance Policy (which will form Appendix A of the Strategy), that sets out the conditions and regulates the manner in which financial assistance is given to private sector households, will be presented to the next Housing Scrutiny Standing Panel and will be submitted to Cabinet at a later date.

6. During the two year period the Strategy proposes to develop and then introduce other schemes, including equity release mechanisms, which would in part replace the above forms of assistance. It is intended that the proposal to introduce equity release will become the main avenue through which the Council intervenes to help private sector property owners to repair and improve sub-standard properties and therefore reduce the current system's reliance upon the provision of public money as grants to qualifying home owners. It is important to recognise that the full range of Housing Assistance, the additional statutory responsibilities introduced by the Housing Act 2004 and the longer term equity release objectives are intrinsically linked together and may well require a further review of resources in the years ahead.

7. The setting up of the equity release mechanisms will involve negotiations with a

specialist not for profit financial provider and then organising the new system. Because of the set-up and running costs, this may be best organised in conjunction other local authority partners (as suggested in the London Commuter Belt Sub Regional Housing Strategy). It is suggested that a specialist consultant be appointed over the next two years, to enter into negotiations with other Local Authority partners and a not for profit financial provider and to develop procedures required to deliver the alternative schemes (*Recommendation (2)*).

8. Until the Council's financial position becomes clearer it is proposed to implement the following forms of financial assistance as an interim measure:

- Decent Homes Assistance to replace the existing Renovation Grant;
- Small Works Assistance to replace the existing Homes Repair Assistance; and
- Thermal Comfort Grants to be introduced.

These will be funded from the Go-East funding stream of £447,000 for 2006/7 and £223,000 for 2007/8 which is required to be spent on attaining the Decent Homes standard (*Recommendation (3)*).

9. It is also proposed that Relocation Grants are offered in place of, or as well as, Disabled Facilities Grants where it is more cost-effective than to carry out high cost and possibly unsuitable adaptations.

10. Mandatory Disabled Facilities Grants (DFGs) are governed by legislation and will remain unchanged. They are however subject to a review by the Department of Communities and Local Government (formerly the ODPM), which is expected to report later this year. Consistent with national trends, there has been an increase in DFG applications and findings from the House Condition Survey indicate that this trend is likely to continue. The capital allocation for DFGs for 2006/7 was increased from £300,000 to £500,000 and it is envisaged that this amount will be required, as a minimum, for future years (*Recommendation (4)*).

11. The Empty Property Strategy sets out the action the Council intends to take to bring long-term empty homes back into use. It sets out the reasons why it is important for local authorities to intervene in long term vacant properties and the benefits of bringing such properties back into use. It also sets out targets and time scales for a range of initiatives including the introduction of a Finder's Fee Scheme with one off payments of £1000 to the owners of empty properties when such properties are let to a person(s) from the Housing register for a minimum of 12 months. Initially the scheme is to be limited to five properties a year (*Recommendation (5)*).

12. The Strategy takes into account the successful bid to Go-East for capital funding to renovate substandard empty properties. The total bid was for £3.5m to renovate 100 properties in the five partner Authorities over a 2-year period (this means potentially 20 properties in our district). No capital payback is required and on completion of the renovation works individual properties will be let to nominated tenants on the same basis as the existing private sector leasing scheme.

#### **Resource Issues:**

13. The Council's private sector housing responsibilities are delivered through Environmental Services. The existing grant regime and the Home Improvement Agency (C.A.R.E.) are delivered in the main by:

- The Private Sector Policy and C.A.R.E. Manager (1FTE);

- A part-time Grants Officer and full-time Grants Assistant (1.5 FTE);
- C.A.R.E. Case Workers (2 FTE); and
- A contracted surveyor (1 FTE).

14. All other aspects of private housing sector work (which applies to all tenures) is covered by two part time (0.8 FTE) Environmental Health Officers of which 0.4 FTE deals with properties which are the subject of grant applications.

15. Growth money has been previously agreed to provide additional resources to deal, in particular, with Park Home Sites and Houses in Multiple Occupation. In order to undertake the new Strategy in its entirety significant additional resources will be required. However, given current budget uncertainties it is proposed to re-prioritise the existing work and seek only those resources which will enable the key components of the Strategy to be implemented and secure the use of the specific funding from Go-East in respect of attaining the Decent Homes Standard for vulnerable people and moving forwards with dealing with empty homes. This will however result in further delays in some private sector areas such as the inspection and re-licensing of mobile home sites and the inspection of lower risk houses in multiple occupation.

16. The new resources sought are:

(a) a CSB growth bid for 2007/08 for 1 FTE Environmental Health Practitioner at a cost of £41,314 per annum who will be responsible for implementing the new forms of financial assistance which will be funded from the Go-East money for Decent Homes (*Recommendation (6)*);

(b) that a CSB growth bid of £5,000 for 2007/08 be made to fund the empty homes 'Finders Fee Scheme' (*Recommendation (5)*); and

(c) DDF funding of £10,000 for 2007/08 and for 2008/09 to enable the appointment of a specialist consultant to facilitate the move from giving financial assistance to other 'self sufficiency' schemes (as emphasised by Government), such as loans and equity release mechanisms (*Recommendation (2)*).

17. A further review will be carried out to establish how effective the Council's private sector housing functions are being delivered once the Council's financial position becomes clearer and the policies develop in working practice.

#### **Statement in Support of Recommended Action:**

18. The changes to the legislation affecting private sector housing demonstrate Government's intention to see the private sector contribute on a larger scale to meeting local housing needs. However, these changes place additional statutory burdens upon the Council and the additional resources made available by Go-East, whilst valuable, cannot be used to support the costs of additional staff.

19. The adoption of the revised Private Sector Housing Strategy is essential in demonstrating that the Council is embracing the government's revised approach and to enable it also to make best use of the additional resources, which have been provided by Go-East. However, having re-assessed existing competing priorities and considered what other statutory duties could be deferred, for the key additional duties to be undertaken, additional resources are still necessary. A further review will be required once the new Strategy has settled.

### **Other options for action**

20. The only alternative options are:

(a) to implement the Private Sector Housing Strategy in its entirety and seek the full resources required to do so; or

(b) not to adopt the revised Strategy, even in part, and fail to meet the Council's statutory duties with respect to private sector housing.

21. Option (a) has been discarded on the basis of the Council's current budgetary situation and option (b) on the basis that the Council ought at least to be meeting its statutory duties with a commitment to bring the remainder into play once resources permit.

### **Consultation undertaken:**

22. No external consultation undertaken.

### **Resource implications:**

**Budget provision:** £41,314 CSB growth for 1 FTE Environmental Health Practitioner, £5,000 CSB for the empty properties 'finders fee scheme'. £10,000 DDF for 2007/08 and 2008/09 for specialist consultancy support. Retention of £500,000 capital for Disabled Facilities Grants.

**Personnel:** One additional FTE Environmental Health Practitioner, plus re-prioritisation of duties of other existing posts to provide resources for critical statutory duties.

**Land:** Nil.

**Community Plan/BVPP reference:** N/A.

**Relevant statutory powers:** The Housing Act 2004.

**Background papers:** Reports to the Housing Task & Finish Scrutiny Panel.

**Environmental/Human Rights Act/Crime and Disorder Act Implications:** N/A.

**Key Decision reference (if required):** Will advise when key decisions have ref nos.