

# Private Sector Housing Renewal Policy

Housing and Environmental Services

31<sup>st</sup> August 2016

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## Version Control

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## Approvals

Approved by	Date
Matt Holford	31/8/2016
Mike Haynes	

## Associated Documentation

Description of Documentation
Nil

## Data Retention

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## 1.0 Introduction

The Council has a duty under Part 1, Chapter 1, Section 3 of the Housing Act 2004 to review housing conditions in its district. Where housing conditions are found to require improvement, local authorities have the discretion to provide assistance under the terms of Article 3 of the Regulatory Reform (Housing Assistance) Order 2002 in any form (e.g. grant, loan or equity release). This policy provides the detail about how South Derbyshire District Council will deliver this assistance in the private housing sector for the duration of the current Housing Strategy.

Qualifying criteria for all housing assistance are at the discretion of the Council.

The purpose of this policy is to set out the means by which South Derbyshire District Council will approach private sector housing renewal. It replaces the Council’s previously published Private Sector Housing Policy produced in 2010.

## 2.0 Strategic Overview

South Derbyshire District Council published a new **Corporate Plan** in 2016. The Plan contains the Council’s strategic direction to 2021. The four key themes contained within the Plan are *People, Places, Progress* and *Outcomes*.

The contents of this Policy links to a number of the key aims under these themes;

Corporate Theme	Key Aim
People	Enable people to live independently
	Protect and help support the most vulnerable, including those affected by financial challenges
Place	Facilitate and deliver a range of integrated and sustainable housing and community infrastructure

South Derbyshire published its most recent **Housing Strategy** 2016/21 in February 2016. The Strategy contains three strategic aims beneath which sit a number of specific objectives. The contents of this Policy directly relate to a number of these objectives;

Strategic Aim	Specific Objective
Improving access to and supply of housing	Objective 01c - Unlock the potential of empty homes and minimise voids
Well maintained safer greener homes	Objective 02a - Ensure decent, safe and healthy homes in the private sector
	Objective 02b – Support the growing private rented sector
	Objective 02c – Reduce fuel poverty

### 3.0 Background Context to the Policy - Private Sector Stock Condition

The condition of the overall housing stock in South Derbyshire is described in detail in the Housing Strategy and in the most recent Private Sector House Condition survey from 2014. Some key statistics which have been used to inform this policy include;

- Our housing stock has a relatively high proportion of modern housing. The proportion of pre-1919 housing in South Derbyshire of 20.3% compares to 22.2% of private housing nationally. The proportion of post-1980 housing in South Derbyshire of 39.2% compares to 22.6% of private housing nationally;
- The number of people living in the private rented sector has increased threefold in the last 10 years from 1,817 (5.5%) of the local housing market in 2001 to 5,459 (14.5%) in 2014;
- The overall condition of the private housing stock is improving. 32.4% of private housing was non-decent in 2009 improving to 16.3% in 2014. Rates of non-Decency are higher in the private rented sector (23.5%) than the owner occupied sector (15.1%);
- Around 8% of private sector homes exhibit a Category 1 hazard, posing a serious risk of harm to occupants;
- Of the 3,026 private sector dwellings with a Category 1 hazard, 1,863 dwellings (61.6%) fail on the excess cold criterion and 843 dwellings (27.9%) fail on risk of falls on steps/stairs;
- 1,032 households containing children occupy non-decent dwellings; 43.3% of these live in a property with a Category 1 hazard, primarily related to the risk of excess cold;
- 12.4% of our residents are considered to be in fuel poverty;
- 3.4% of properties in the District are empty compared to the national average of 4.3%.

The recommendations contained in the 2014 Private Stock Condition Survey were;

- Proposed intervention in the private-rented sector including landlord encouragement for home improvement particularly energy efficiency;
- Continued support for vulnerable households in non-decent homes across all tenure sectors;
- Encouragement of owner-occupied home improvement through increased awareness of condition issues and possible use of loan support;
- Exploitation of energy funding streams including Green Deal and ECO funding within a comprehensive fuel poverty strategy; and
- More detailed examination of health service partnerships for housing intervention against initial evidence of relationships between house condition, household health and health service use.

### 4.0 Interventions

The role of the Council has evolved in the last few years. Historically it involved providing direct investment into the private sector through grants. It has now moved more towards facilitating improvements through advice, signposting and regulation.

This section of the policy describes the various forms of intervention available to the Council in the renewal of the private sector market, summarises the context when they can be used and finally provides a policy statement relevant to our proposed use of each form of intervention.

As a core working principle we take the view that the primary responsibility for the maintenance and repair of private houses rests with the owner. However we also recognise that these properties are

the homes of future generations and therefore are a valuable broader asset to society. Balanced and proportionate intervention may, in certain circumstances, be appropriate to both improve the health of people living in sub-standard conditions and to preserve the housing stock.

## **Grants**

Grants support for improvements of private sector properties are either mandatory or discretionary.

**Policy Statement 1** - *Mandatory grants will always be awarded where all of the qualifying criteria are met. Discretionary grants will only be offered where all other forms of intervention have been exhausted and all of the qualifying criteria are met.*

**Disabled Facilities Grants (DFG)**. These are mandatory grants which are available through the District Council for property adaptations to improve the quality of life of either private home owners or tenants with disabilities. The qualifying criteria are specified in the Housing Grants, Construction and Regeneration Act 1996 and in summary the grants are only available where the work is considered to be necessary and appropriate to meet the disabled person's needs and that they are reasonable and can be done depending on the age and condition of the property.

The grants are means tested with a grant maximum of £30,000. If the grant is awarded, it will be subject to certain conditions including a requirement that the disabled person remain in the property for 5 years after the work is completed. Most of the criteria for DFGs are set by central government and are therefore outside the scope of this Policy to influence.

The available funding is currently dependant on the allocation made to the District Council from the Better Care Fund administered by Derbyshire County Council. The table below provides an illustration of the total spend and the total number of DFGs completed over the last 5 years.

Year	2011/12	2012/13	2013/14	2014/15	2015/16
Spend	£318,069	£289,193	£438,212	£293,709	£330,643
Completions	52	63	65	60	51

The DFG allocation for 2016/17 is £326,000 plus £62,000 General Fund contribution.

**Discretionary Relocation Grant (DRG)** is a discretionary grant which can be offered to a disabled person to give them the choice to move home where the following circumstances apply:-

- The Council has been advised by social services that a person has a need that makes him or her eligible for a disabled facilities grant, and;
- In the Council's opinion the disabled person's existing accommodation is not suitable to be adapted, and;
- The disabled person is willing to move to alternative accommodation, and;
- The total cost to the Council of all assistance (including any disabled facilities grant to adapt their new home) will be no more than the cost of adapting the disabled person's existing accommodation.

Historical spend on this Grant has been low. Only 6 DRGs have been approved over the past decade.

**Home Repair Plus Grant (HRP)** is a discretionary grant available to elderly, disabled or vulnerable owner/occupiers and private tenants to assist them to live independently in their own homes.

The works which qualify include, internal and external repairs; improvements to meet the decent home standard; disabled adaptations not falling within a DFG; security measures and energy efficiency measures.

Eligibility is limited to people in receipt of an income related benefit and aged over 60, disabled or vulnerable. It is not available to Council or RSL tenants. Private sector landlords are eligible to apply if they let to a tenant who is over 60 years old, disabled or vulnerable and in receipt of an income related benefit.

The maximum available grant is £6,000 (A grant of up to £10,000 may be approved in exceptional circumstances subject to agreement by the Director of Housing and Environmental Services).

The grant can cover the cost of all reasonable fees incurred (i.e. Building Regulation fees may be included in the grant up to the maximum amount).

No more than two separate applications can be made in any three year period. A 5 year grant condition period will apply (the grant will be registered as a local land charge).

The grant is conditional upon: -

- Completion of the work to the satisfaction of the Council within 12 months of approval;
- The property will be the applicant's only or main residence for the duration of the grant condition period OR the property will be let to a vulnerable tenant for the duration of the grant condition period;
- The property will be maintained in a 'decent condition' for the duration of the grant condition period;
- 'Buildings Insurance' will adequately cover the property for the duration of the grant condition period;
- The rent levied by a private landlord receiving grant assistance shall remain in line with the Local Housing Allowance rates for the duration of the grant condition period.

The table below provides an illustration of the total spend and the total number of HRP grants approved over the last 5 years.

Year	2011/12	2012/13	2013/14	2014/15	2015/16
Spend	£4785.00	£8237.60	£5168.80	£3329.00	£2718.00
Number of Approvals	1	3	3	2	1

At the date of this Policy the Decent Homes Capital Fund which supports the HRP grants contains £73,182. There are no current proposals to provide any top up for this fund.

**Empty Properties Grant (EPG)** is a discretionary grant available up to a maximum of £9,000 to enable the owner of an empty property to bring it back into a decent condition and to bring it back into habitation. To be eligible for grant assistance the enquirer must be:

- an owner of a property which has been empty for more than 2 years;
- the property must fail the Decent Homes Standard;
- The landlord must let at an affordable rent level (the local housing allowance rate) to households on the Council's housing waiting list for a minimum 5 year period.

The approved work must be completed within 12 months of approval.

The table below provides an illustration of the total spend and the total number of HRP grants approved over the last 5 years.

Year	2011/12	2012/13	2013/14	2014/15	2015/16
Spend	Nil	£26,915	£9,000	£18,000	£780
Number of Approvals	Nil	3	1	2	1

The Housing Strategy Enforcement Work capital fund to support EPGs was established in 2012. At the date of this Policy the Housing Strategy Enforcement Work fund has £42,163 remaining. There are no current proposals to provide any top up for this fund.

Appeals against refusals of any applications for discretionary grants should be submitted as a Stage 1 Corporate Complaint to the Director of Housing and Environmental Health. Details of the process are on the [Make a Complaint](#) section of the Council's website or in writing to;

Director of Housing and Environmental Services,  
 South Derbyshire District Council  
 Civic Offices  
 Civic Way,  
 Swadlincote,  
 Derbyshire,  
 DE11 0AH

## Loans

We do not currently offer any loans. There are a number of loans and equity release schemes available through reputable third party providers such as Age Concern.

Where we are approached by a client with a request for help and there is a potential of equity release, then we will signpost them to the most appropriate provider known to us at the time. The loan products and providers are regularly changing and we will make the best use of partner organisations such as the appointed Housing Improvement Agency to ensure that our clients are able to access the best product for them based on their personal circumstances and market conditions.

## Regulation

There will be instances where the Council has either discretion or a duty to use its legal powers to ensure the safety of residents. This duty can apply to either owner occupiers or to private rented sector tenants. Since funding for repair work was removed, there has been an increase in the number of occasions when the Council have needed to use the powers usually applied to the rented sector to address problems in houses lived in by owner-occupiers who cannot afford or are not inclined to maintain their homes. On average we receive 180 complaints and requests for service relating to private sector housing every year.

In some cases the Council may enforce sale of empty properties or compulsory purchase empty properties and sell them on to organisations or individuals that are able to bring an empty property back into use. The Council may also serve Empty Dwelling Management Orders and temporarily take control of empty properties if it deems it necessary.

Given the lack of capital funding to support grants allocations, the only alternative funding we can now offer to improve the private sector stock is to carry out 'works by agreement' following the service of a legal notice or 'works in default' following the failure of a property owner to complete the work specified by a legal notice.

The 'works by agreement' or 'works in default' interventions are usually funded either from the Housing Strategy Enforcement Work capital fund or from the Private Sector Housing revenue budget depending on the level of expenditure required. Smaller interventions of up to approximately £1,000 come out of the revenue budget, larger spend comes out of capital.

***Policy Statement 2 - In cases of disrepair in both owner occupied and rented property where the matter is a breach of the Housing Act or other appropriate legislation, the Council will take enforcement action in accordance with the principles contained within our Enforcement Policy. In order to maximise the impact of the remaining capital budgets, we will generally rely on improving properties through works in agreement or works in default rather than providing grant aid.***

We will always seek to recoup the cost of the works, either by agreement or court order on the principle that revenue which is recouped can then be recycled for use on additional works by agreement or works in default.

The table below provides an illustration of the total numbers of works by agreement and works in default and the total spend over the last 5 years.

Year	2011/12	2012/13	2013/14	2014/15	2015/16
Spend	0	£23,154	£14,401	£12,856	£31,574
Nº of Interventions	2	1	10	11	10

The Private Sector Housing revenue fund for works in default is £1,500. Currently it is proposed to continue to include this level of funding into future years.

### ***Charging for Regulation***

The Council has the ability to make a 'reasonable charge' as a means of recovering certain administrative and other expenses incurred when it has to serve various forms of enforcement notice under the Housing Act 2004. This is intended to act as an economic incentive to make property owners deal with housing hazards without the need of regulatory intervention by the Council.

***Policy Statement 3*** - *The Council will, in all circumstances, seek to ensure compliance with regulatory standards through a process of escalating action as described in the enforcement policy. Where it has been necessary to escalate a case to the point of serving a legal notice to achieve regulatory compliance, the Council will generally seek to recover costs. The Council will generally not seek to recover costs where immediate legal action is required due to the severity of the hazard and it has had no previous involvement with the case. Any variances from this Policy will be at the discretion of the Director of Housing and Environmental Services.*

### **Advice**

The Council works closely with a number of partner agencies to provide the best possible support for our clients based on their individual need and circumstances. We have recently initiated a mapping exercise to improve our understanding of all of the housing related services available locally and we have received a commitment from the Community Support Delivery Group to fund this work through Workstream 1 of the Better Care Fund 5 Year Implementation Plan.

***Policy Statement 4*** – *Where we are unable to make a direct intervention through either regulation or grants support, we make our best endeavours to direct our clients to other appropriate support agencies or products. We will regularly refresh our database of all known housing support services and products and we will maximise working with partners in order to offer the most comprehensive possible local advice service to our clients.*

## 5.0 Future Priorities for Discretionary Support

We are continually exploring new funding opportunities to invest in improvements to the private sector housing stock. Opportunities to bid for funds can come from various sources and often quite detailed bids need to be developed over relatively short timescales.

Whilst we are not aware of any impending bid opportunities, if and when such opportunities arise we are particularly interested in developing the following proposals;

- Rural energy loan scheme
- Rural energy insulation scheme

## 6.0 Review

The Policy will be the subject of a light touch review every two years, unless there are significant changes in law or grant fund availability. The Policy will be substantively reviewed following the publication of the next Housing Strategy post 2021.

## Availability

This Policy will be published on line at;

[http://www.south-derbys.gov.uk/housing/private\\_housing/default.asp](http://www.south-derbys.gov.uk/housing/private_housing/default.asp)