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<b>HOUSING RENEWALS POLICY 2017 - 2019</b>
<b>Councillor Irene Walsh, Cabinet Member for Communities and Environmental Capital</b>
<b>January 2017</b>
<b>Deadline Date: January 2017</b>

Cabinet portfolio holder: Responsible Director:	Councillor Walsh, Cabinet Member for Communities and Environment Capital Adrian Chapman - Service Director - Adult Services & Communities
Is this a Key Decision?	Yes If yes has it been included on the Forward Plan : Yes Unique Key decision Reference from Forward Plan : KEY/9JAN17/02
Is this decision eligible for call-in?	YES
Does this Public report have any annex that contains exempt information?	NO
Is this a project and if so has it been registered on Verto?	NO

## RECOMMENDATIONS

The Cabinet Member is recommended to approve the Housing Renewals Policy 2017 - 2019.

### 1. SUMMARY OF MAIN ISSUES

1.1 This report seeks the Cabinet Member for Communities and Environment Capital's approval for the Council to adopt the refreshed Housing Renewals Policy 2017 - 2019. The purpose of the Policy is to detail the types of assistance the Council may make available, the circumstances in which persons will be eligible for assistance and how the amount of any assistance will be calculated. The Policy also details the conditions that will apply to the provision of assistance and how and in what circumstances any assistance made may be repaid.

### 2. PURPOSE OF THIS REPORT

2.1 This report is for the Cabinet Member for Communities and Environment Capital to consider exercising delegated authority under paragraphs 3.4.3 of Part 3 of the constitution in accordance with the terms of their portfolio at paragraph (c).

### 3. **TIMESCALE**

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If Yes, date for relevant Cabinet Meeting	<b>N/A</b>
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### 4. **DETAILS OF DECISION REQUIRED**

#### **Repairs Assistance**

- 4.1 The Repairs Assistance outlined in this Policy will be financial help in order to improve health, safety and wellbeing of low income and vulnerable households by improving the condition of their home and reduce the risk that serious defects present. Preventative measures in the home will contribute to reducing hospital admission and re-admission and reduce longer term demand on health and social care services.
- 4.2 As part of Peterborough City Council's legal duty to regularly review the condition of its housing, the Building Research Establishment (BRE) was commissioned to undertake a series of modelling exercises on the housing stock and produce an integrated stock modelling report. The Report estimates that the number of dwellings with at least one Category 1 hazards (the most serious risk utilising the Housing Health and Safety Rating System (HHSRS) methodology) in Peterborough's privately owned stock is 5,442 and in privately rented stock is 2,510 which totals 7,952. The estimated average cost of mitigating hazards per dwelling is £3,548 resulting in the total cost of mitigating all hazards within those dwellings as £28.2 million. The report also estimates there are 985 dwellings in the social stock with Category 1 hazards.
- 4.3 In addition, the Council also commissioned the BRE to produce a quantitative Health Impact Assessment which utilises the data in the stock modelling to better understand the effect of private sector housing hazards and intervention strategies on the health of residents in Peterborough. This Health Impact Assessment estimated there were 8,025 individual Category 1 hazards in Peterborough's privately owned stock and 3,771 Category 1 hazards in the privately rented stock, bringing the total Category 1 hazards to 11,796. It is estimated that poor housing conditions are responsible for over 631 harmful events requiring medical treatment every year. The estimated cost to the NHS of treating accidents and ill health caused by these hazards is £2.1 million each year. If the wider costs to society are considered, the total costs are estimated to be £5.2 million each year. If these hazards are mitigated to an acceptable level then the total annual savings to society are estimated to be £4.9 million, including £1.9 million of savings to the NHS

#### **Repairs Assistance to Private Landlords**

- 4.4 The introduction of Selective Licensing in September 2016 has seen some private landlords indicate that they cannot afford to carry out necessary repairs to their properties or meet Licensing requirements and are considering withdrawing from the market. The private rented sector is an important source of accommodation for individuals and families in housing need. The introduction of Repairs Assistance to private landlords outlined in this Policy will assist to fund the required work and keep the current tenants in-situ until the end of the tenancy agreement, therefore preventing homelessness. The landlord must agree to enter into a lease agreement which provides for the landlord to let the property to the Council for a minimum period of 5 years in exchange for the Council to then take on the role of facilitating the rental payments from the tenant to the landlord.

The landlord must also enter into a separate management agreement with a management agent working in partnership with the Council and a 10% fee will be deducted from the rent for management costs and a further 10% for general maintenance and wear and tear costs. The Repairs Assistance and lease arrangement are illustrated in Table 4.1 below

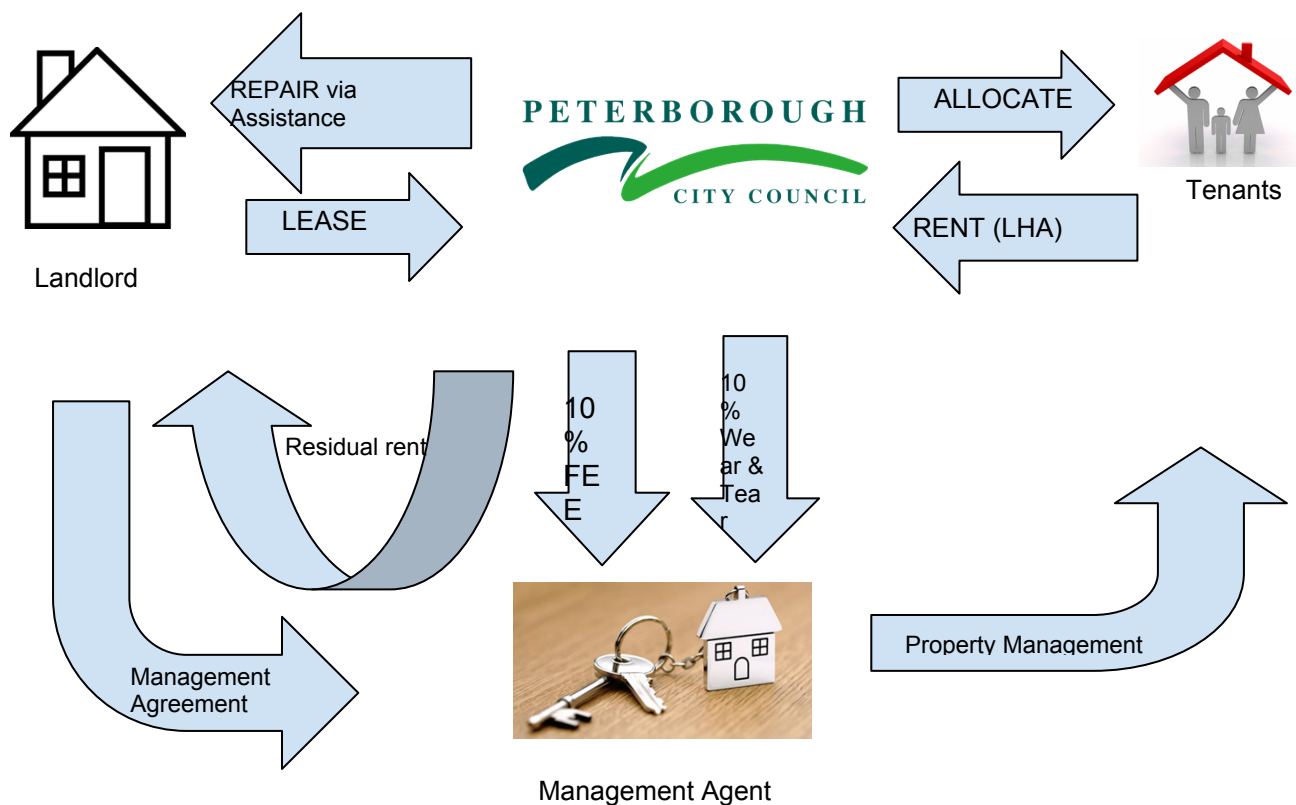


Table 4.1 Repairs Assistance to Private Landlords & Private Sector Leasing

- 4.5 The assistance will be secured by way of a legal charge over the property. If the landlord disposes of the property during the lease agreement, the whole amount of assistance is repayable on demand together with any accrued interest. The property will be used to accommodate families in housing need at Local Housing Allowance rent levels.

### Empty Homes Assistance

- 4.6 The population of Peterborough is expected to increase from 183,961 in 2011 to 227,890 in 2036. 1,005 new dwellings, including 620 affordable homes, are needed each year to meet current and projected population growth. There are approximately 3,300 households on the Council's Housing Register awaiting suitable accommodation. Empty Homes Assistance will be introduced to act as incentive to owners of empty property to refurbish and lease the property over to the Council for a minimum of 5 years. The property will be used to accommodate families in housing need at Local Housing Allowance rent levels
- 4.7 The arrangement for the 'private leasing scheme' for Empty Homes Assistance involves the Council entering into 2 agreements with the property owner:
- a lease agreement
  - a loan agreement

The lease agreement provides for the owner to let the property to the Council for a minimum period of 5 years in exchange of the Council agreeing to facilitate the rent payment. The lease agreement also provides for the Council to undertake and pay for the repair works to the property on the owner's behalf. The Council will recover the costs of the repair works through a fixed sum interest free loan offered to the landlord, in exchange for the owner leasing the property to the Council. The loan amount (the Empty Homes Assistance) will be for a sum equal to the costs of the repair works plus reasonable charges. The loan amount will be repaid by monthly repayments spread over the term of the lease. The loan will be secured by way of a legal charge over the property.

4.8 Under both the lease and loan agreements, the Council will have a right to set off its obligation to facilitate the rent payment. This means that the Council may recover the costs of the repair works by reducing its monthly rent in equal amount of the monthly loan repayment. If the Council is unable to recover the monthly loan repayments, for example where the lease agreement ends earlier, then the whole unpaid loan balance becomes immediately payable on demand together with any accrued interest. The Empty Homes Assistance and lease arrangement is illustrated in Table 4.2 below.

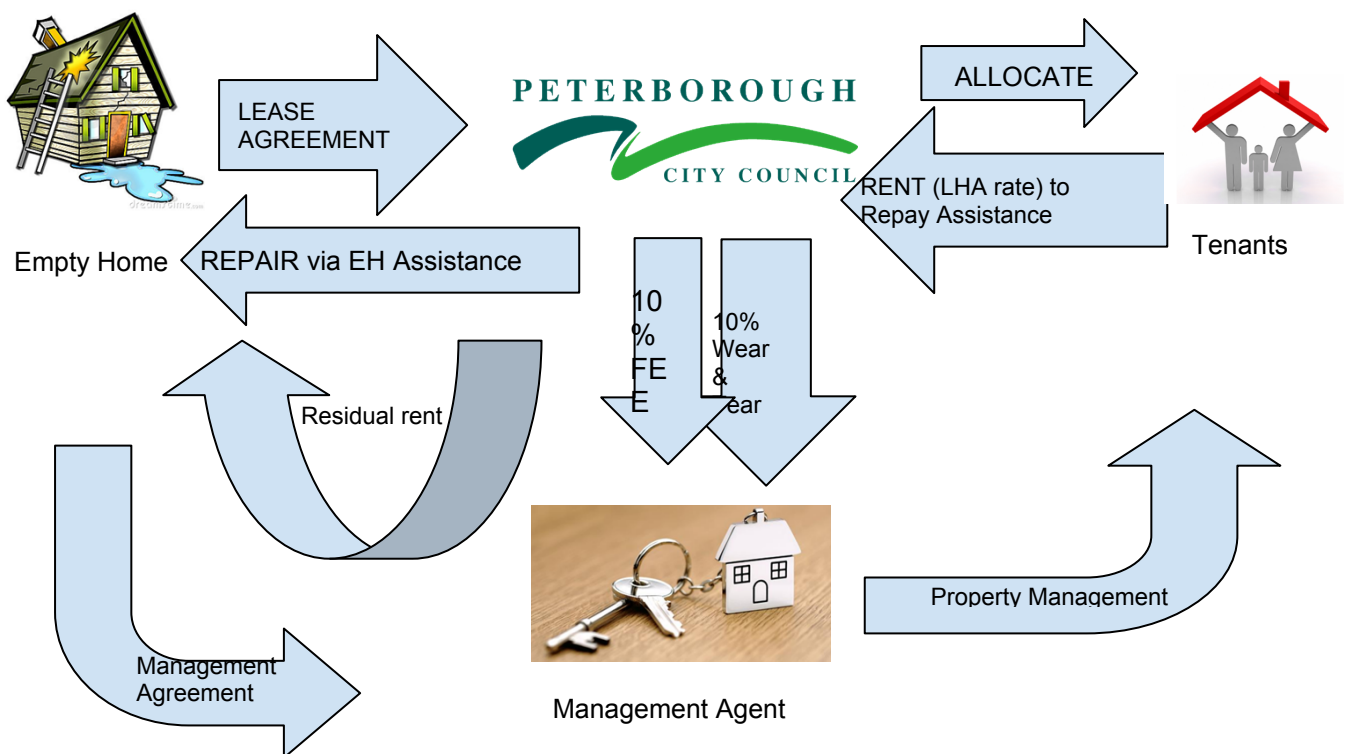


Table 4.2 Empty Homes Assistance and the Private Sector Leasing

### Discretionary Disabled Facility Grants

4.9 The introduction of the Better Care Fund in April 2014 and the Care Act in April 2015 is leading to the creation of new integrated services centred on the home. Peterborough City Council's Home Service Delivery Model, launched in October 2016, brings together Therapy Services, Reablement, Assistive Technology and the Care and Repair Home Improvement Agency, working closely with the Housing Programmes and the Housing Needs Teams.

In addition to making the grant delivery more effective, efficient and customer focussed, the

preventative role of the Disabled Facilities Grant (DFG) in keeping people living safely and independently can be fully utilised by using the extra Disabled Facilities Allocation received through the Better Care Fund in more flexible and responsive ways to help reduce pressures on health and social care.

4.10 The Renewals Policy introduces two types of Discretionary Disabled Facility Grant. One is a discretionary top up of the mandatory Disabled Facility Grant which currently has a maximum of £30,000 per client. Over the last 12 months, the tenders for ground floor extensions to provide suitable bathing and sleeping facilities for full time wheelchair users have exceeded the maximum grant amount by £10,000 - £20,000 depending on complexity.

4.11 The second new Discretionary DFG supports health priorities and utilises the extra flexibility that the Better Care Fund and the extra DFG Allocation has brought. These discretionary grants will be used to help reduce pressures on health and social care and will support speedy discharge from hospital and transfers of care, reduce hospital admission and re-admission and reduce the costs of domiciliary care packages.

4.12 The funding source for all types of assistance is illustrated in Table 4.3 below

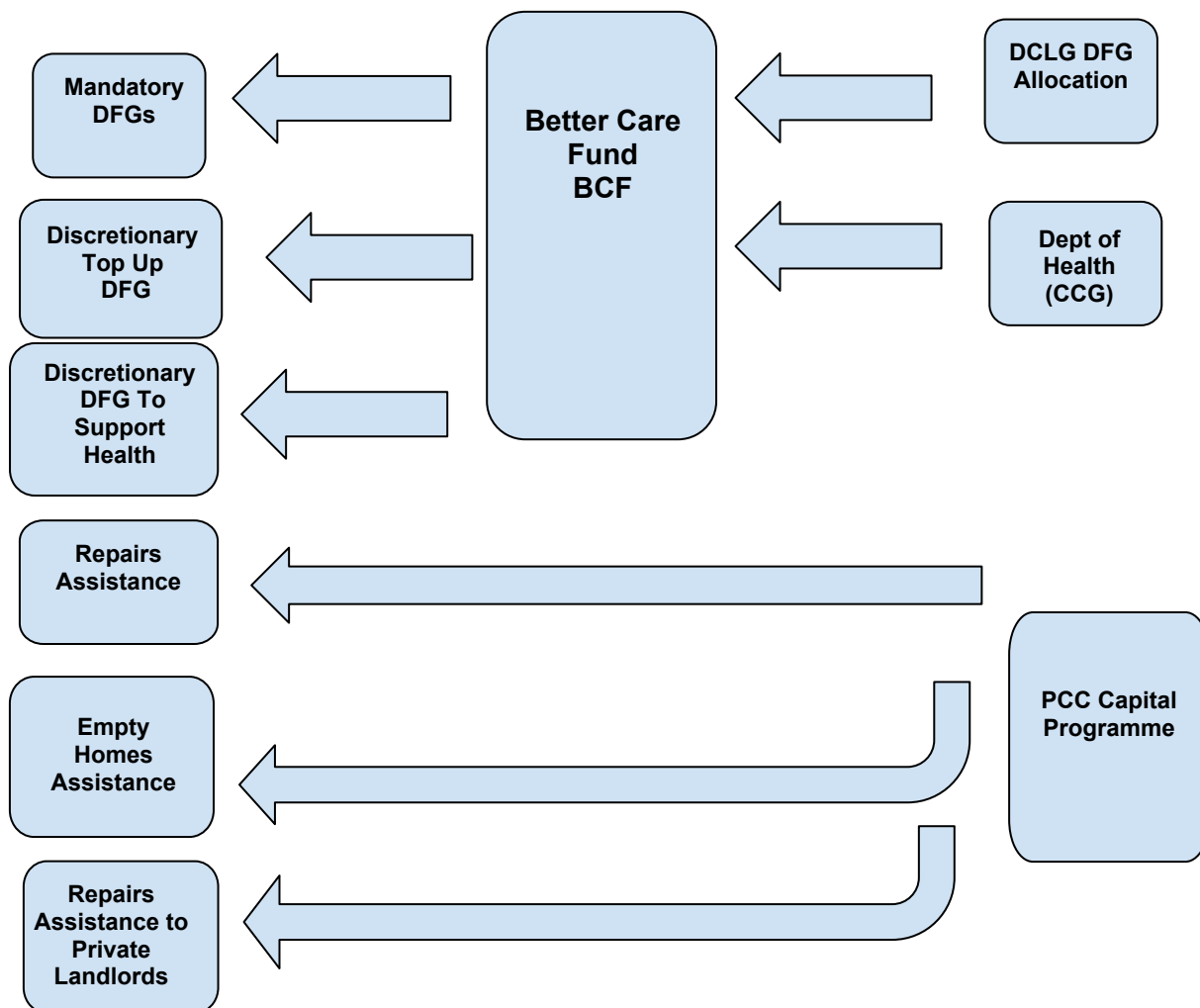


Table 4.3 Sources of funding for the grants and assistance outlined in the Housing Renewals policy

## **5. CONSULTATION**

- 5.1 The Housing Renewals Policy was submitted to the Strong and Supportive Communities Strategy on the 23 November 2016 and was approved. The Renewals Policy is now in a three week consultation period to the 20 December 2016

## **6. ANTICIPATED OUTCOMES**

- 6.1 The Housing Renewals Policy 2017 – 2019 is adopted and shall take effect from 16th January 2017. All valid applications will be determined under the provisions laid out in this Policy document

## **7. REASONS FOR RECOMMENDATIONS AND ANY RELEVANT BACKGROUND INFORMATION**

- 7.1 The recommendation to approve the Housing Renewals Policy will ensure financial assistance is available to address serious defects in privately owned properties occupied by vulnerable elderly and disabled residents and low income families. Heating and insulation measures also help to increase the energy efficiency of properties and assist in reducing fuel poverty.
- 7.2 The introduction of Repairs Assistance to private landlords supports the Selective Licensing Scheme and, together with Empty Homes Assistance and the private leasing scheme, contributes to the prevention of homelessness and increases the amount of available housing for Housing Needs to allocate to families in housing need.
- 7.3 Introducing a top up to the £30,000 mandatory Disabled Facility Grant will mean that major ground floor adaptation proposals, that have been through the most reasonable, practicable, necessary and appropriate test, will be able to be progressed and completed.
- 7.4 The introduction of the discretionary Disabled Facility Grant to Support Health addresses government recommendations to utilise the grant in a more preventative way in order to reduce hospital admission and costly social care packages and create fast track pathways to facilitate early discharge from hospital and for residents to remain living independently in an accessible, safe, warm and healthy environment.

## **8. ALTERNATIVE OPTIONS CONSIDERED**

- 8.1 Not have a Housing Renewals Policy – rejected. The requirement for a Policy under the Regulatory Reform Order 2002 is detailed in 9.3 below
- 8.2 Not refreshing the Policy – rejected. The refreshed Policy addresses
- the changes to the funding of Disabled Facility Grants through the Better Care Fund
  - the funding issues currently being experienced with major disabled facility adaptations
  - the need to use the Disabled facility Grant in a more preventative way.
- 8.3 The introduction of Repairs Assistance to landlords and to owners of empty property improves the stock condition, contributes to the prevention of homelessness and increases the available affordable housing in the city

## **9. IMPLICATIONS**

## **Financial**

- 9.1 Repairs Assistance and Empty Homes Assistance will be funded through the Council's Capital Programme. The 2016/2017 Budget is £1,158,852. Disabled Facility Grants are funded through the Disabled Facility Allocation within the Better Care Fund. The 2016/2017 budget is £2,210,633. This has increased by £594,586 on last year due to the requirement for Local Authorities to think strategically about the use of home aids/adaptations and to take a more joined up approach to improving outcomes across health, social care and housing. In addition, the Social Care Capital Grant has been discontinued.

## **Legal**

- 9.3 The Council has a statutory duty to award Mandatory Disabled Facility Grants once a need has been identified. The Regulatory Reform (Housing Assistance) (England and Wales) 2002 de-regulated legislation with regard to private sector housing renewal. Article 3 of the Order gives local authorities the power to provide assistance and make that assistance subject to certain conditions. Article 4 of the Order requires the local housing authority to publish a Renewals Policy detailing the type of assistance available, the circumstances in which people will be eligible and the conditions that will apply.
- 9.4 The Local Authority is under a statutory duty to remedy Category 1 hazards identified through the Housing Act 2004's HHSRS property inspection regime. Awarding financial assistance to vulnerable, low income owners is one way of meeting that statutory duty.
- 9.5 The Council has considered the legal implications of the loan (Empty Homes Assistance) and there are no state aid implications with the loan being interest free, provided the owner is an individual. The loan is a credit agreement within the ambit of the Consumer Credit Act 1974 but it is exempt from being regulated under the consumer credit regime on the basis that it is a loan by the Council as a housing authority for improvement of works to a property secured by way of a legal charge

## **10. DECLARATIONS / CONFLICTS OF INTEREST AND DISPENSATIONS GRANTED**

None.

## **11. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985) and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

- Housing Renewals Policy 2017 – 2019
- BRE Building Research Establishment Integrated Dwelling Level Housing Stock Modelling Report July 2016
- Building Research Establishment Quantitative Health Impact Assessment: The Cost of Private Sector Housing and Prospective Housing Interventions in Peterborough July 2016.
- Foundations - The Disabled Facilities Grant: Before and After the Introduction of the Better Care Fund - July 2016

## **12. APPENDICES**

- 12.1 Appendix 1 - The Housing Renewals Policy 2017 - 2019

