

REPORT TO: RESOURCES HOUSING AND GOVERNANCE
OVERVIEW WORKING GROUP

DATE: 19 NOVEMBER 2013

TITLE: PRIVATE SECTOR HOUSING ACTION PLAN REVIEW

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RECOMMENDED that the following be recommended to Cabinet:

- A** That the draft Private Sector Housing Action Plan 2013-16, attached as Appendix 1 to this report, be approved and its actions to be incorporated into relevant Service Plans.
- B** That Authority to approve future amendments to the Council's Housing Assistance Policy under the Housing Act 2004 be delegated to the Housing Portfolio Holder.

BACKGROUND

1. The Council has certain statutory responsibilities, discretionary powers, and opportunities to exert influence that can bear on existing housing in Harlow, beyond its role as a landlord.
2. This report outlines the evidence available in relation to the key issues and the proposals for action over the period to 2016, which are summarised in the draft Private Sector Housing Action Plan, attached as Appendix 1.
3. The Action Plan applies to existing housing only, forward planning and regeneration activity is dealt with elsewhere

CENSUS

4. Data from the Census 2011 has recently been published and provides information on how residents occupy housing in Harlow.
5. Responses to questions about tenure show that of households in Harlow:
 - 26.9% [9,327] rent from the Council: rank, 3.
 - 4.3% [1,481] rent from another social landlord: rank, 270.
 - 34.9% [12,078] own their home with a mortgage or loan: rank, 151.
 - 21.2% [7,351] own their home outright: rank, 325.
 - 10% [3,474] rent from a private landlord or letting agency: rank, 297.
6. From this it is clear that most households in Harlow are either owner-occupiers, or rent from the Council. The private rented sector in Harlow is relatively small, ranked 297th nationally.

PRIVATE SECTOR HOUSING STOCK CONDITION SURVEY

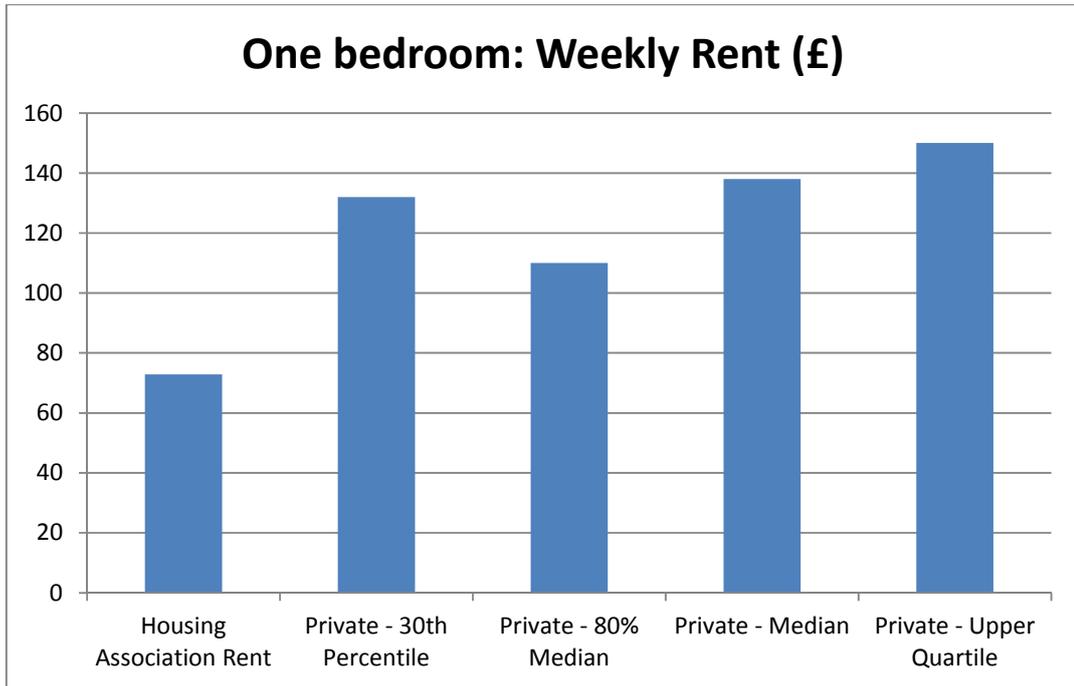
7. Surveys of a statistically significant sample of the private sector housing stock can assist Councils in determining what powers they can/should use in relation to private sector housing.
8. Survey work and reports provide a profile of residents in the sector, tenure, age and condition of dwellings, fitness/prevalence of Category 1 hazards, typical costs to repair, energy efficiency and thermal comfort. The term "Category 1 Hazard" is explained under Housing Act Enforcement Powers below.
9. In the past private sector housing stock condition survey work carried out at appropriate intervals was considered under the supervision of Local Housing Authority function by regional Government Offices to be an essential component of the strategic housing function. This regime of central supervision is no longer in place. The most recent private sector housing stock condition survey reported in 2008. This is considered to be sufficiently recent to inform policy. The headline findings of the report may be summarised as follows.
10. The age profile of the stock is heavily biased towards the newer age bands compared to the national average due to the New Town history of Harlow.
11. There is a predominance of medium sized and larger terraced housing, and low-rise flats, compared to the national average
12. The rate of owner occupation was lower, and the rate of renting from the Council, higher, than the national average

13. There were relatively fewer Houses in Multiple Occupation [HMOs] than the national average at 1.3% of the stock (estimated at 300) compared to a national average of 2.0%.
14. 1.9% (450) dwellings were found vacant, compared to the national average of 3.5%. Of these 50 (0.2% of the stock) had been vacant for six months or more. Vacant dwellings are discussed under the heading "Empty Homes" below.
15. 5.3% of the stock was found to show Category 1 hazards.
16. 14.3% of the stock failed to meet the Decent Homes standard due to thermal comfort considerations
17. The average cost to remedy Category 1 hazards was £1,470 per dwelling; to carry out comprehensive repairs, £3,900 per dwelling, and to carry out works foreseeable for the next ten years to homes with Category 1 Hazards, £5,960.
18. The overall picture that emerged is, as may have been expected, of a stock which is relatively new, with fewer major defects than the national average, and in which the cost to remedy defects is relatively modest compared to the national average or the market value of the dwellings. Nonetheless with the then-recently-introduced thermal comfort criterion, an issue to be addressed had emerged. Further consideration to this is given under the heading Home Energy Efficiency below.

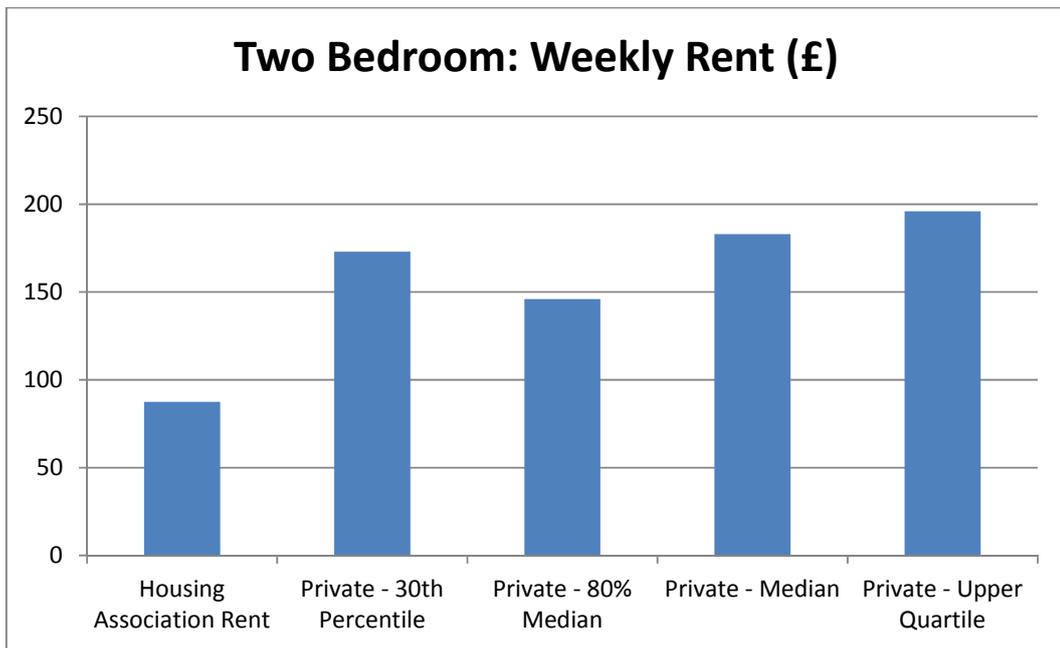
PRIVATE SECTOR RENT LEVELS

19. The Council does not have direct influence on the rent levels in the private rented sector, however wider housing policy may be informed by information on the subject.
20. Market information on the rent level demanded in October 2013 for one bedroom, two bedroom and three bedroom homes has been collected and is compared to the average charged by social landlords [housing associations] in Harlow. For private sector rents, the upper quartile, the 30th percentile, the median, and 80% of the median rent are shown below.

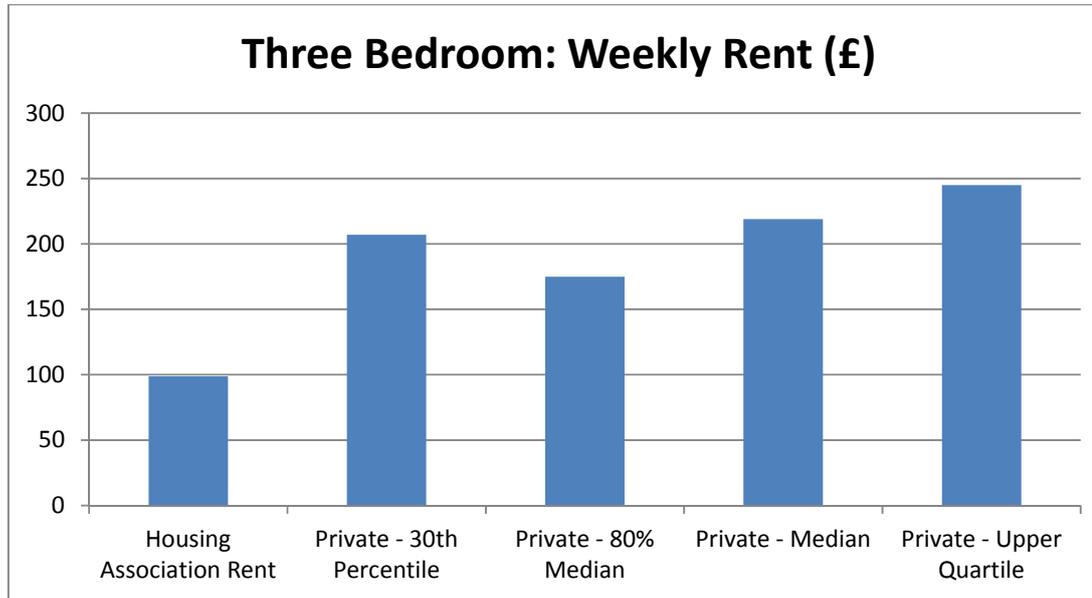
21.



22.



23.



HOUSING ACT ENFORCEMENT POWERS

24. The Council is responsible for enforcement of powers to deal with housing that is not fit for occupation. The current basis for determining fitness is the Housing Health and Safety Rating System [HHSRS] introduced by the Housing Act 2004.
25. The HHSRS combines evidence of effects on health of a range of hazards with a judgement of the likelihood of the hazards arising, to give a risk score for each. Factors which are allocated a very high score constitute a “Category 1 Hazard”. Other hazards that achieve a lower score constitute “Category 2 Hazards”.
26. The Council must take action to deal with Category 1 Hazards that it encounters. There is no requirement to take action in relation to category 2. Hazards.
27. Hazards that demand action can be addressed in a number of ways, ranging from agreement with the landlord through hazard awareness, improvement and prohibition notices, to demolition and clearance orders. Sometimes use of alternative powers such as Public Health legislation may be appropriate. Formal enforcement action is expected to be progressive and proportionate, and to be in accord with Regulator’s Compliance Code and Enforcement Concordat promoted by the Department for Business Innovation and Skills.
28. While the Council is not precluded from using powers under the Housing Acts to require owner-occupiers to address hazards, the expectation is that the primary focus for interventions will be the private rented sector.

29. The number of homes that were unfit for occupation or, more lately, have Category 1 hazards, has historically been relatively very low due to the history of Harlow as a New Town. Much of the housing stock is relatively recently-built and much of that which is older is seen to have a premium in the market and is in the hands of owners able and minded to maintain it to a reasonable condition. This is reflected in the findings of the most recent stock condition survey mentioned above.
30. The Council maintains a small number of Environmental Health Officers trained in the application of the HHSRS. Enquiries by private sector tenants in relation to defects are individually investigated by the Environmental Health Team and resolved using enforcement powers where required. In 2011/12, 88 enquiries and complaints relevant to these powers were investigated.

ADAPTION FOR DISABLED PEOPLE

31. The Housing Act 2004 provides for Disabled Facilities Grant [DFG] from the Council as the Local Housing Authority for disabled people to adapt their homes to their assessed needs.
32. Home adaptations allow disabled people to continue living in the community. The alternative in most cases would be institutional care which it is widely accepted has a seriously detrimental impact on quality of life and a far greater cost.
33. Grants are mandatory, subject to a test of resources and a statutory maximum, where the works are deemed necessary and appropriate, reasonable and practicable. The law requires that Essex County Council determines whether works proposed are necessary and appropriate. In practice this is done by Occupational Therapists [OTs]. Works must then be designed and priced before grant can be approved, and the work carried out.
34. The Council provides assistance with completion of applications, design of works, and selection and management of contractors. Generally the outcome of grant aided adaptation is well-received. However, the process is seen by many applicants as lengthy. It is suggested that integrating OTs closely with grant administration teams can reduce delays.
35. Government support for capital spending has been provided via Specified Capital Grant from the Department of Communities and Local Government. From 2014/15 funding will be via an Integration Transition Fund to be managed by the Clinical Commissioning Group and the County Council as part of on-going health and social care reforms.
36. Essex County Council in common with other public services is undergoing

change, due not least to the need to integrate health and social care. Changes to OT provision as well the capital funding stream may affect the Council's delivery of DFGs and it seems likely that the Council must work with Essex County Council to secure the best practicable outcomes.

37. In 2012/13 the Council received 76 formal applications for Disabled Facilities Grant from people in the private housing sector. The budget allocated for the year was £350,000

HOUSING ASSISTANCE POWERS

38. The Council has wide discretion to provide assistance to owners of housing in the private rented sector. Assistance may be viewed as part of a spectrum of available options to tackle local housing issues that includes enforcement and clearance powers mentioned above. At times it has been considered appropriate to demolish areas of housing that were beyond rescue ["slum clearance"] and to use public money to prevent remaining housing from deteriorating ["housing improvement areas" for example].
39. While such interventionist approaches are no longer features of mainstream housing policy, and are not supported by central government funding as in the past, the types of powers that underpinned them remain available. Councils may provide assistance for a range of purposes by help in kind, by loan, or by grant, provided that it is done in accordance with published policy.
40. Assistance powers have tended recently to be used by Councils for more selective small-scale interventions, usually targeted on the worst cases and the most vulnerable. Large-scale intervention has not been considered appropriate in Harlow, given its history as a New Town with very low levels of serious housing defects, and the current economic pressures are unlikely to render widespread assistance practical in the foreseeable future.
41. Nonetheless use of the powers can resolve intractable issues in individual cases. The Council's current assistance policy is attached at Appendix 2. Revision is likely to be appropriate from time to time: it has not recently been revised. Given the relatively modest scale of assistance works it may be appropriate for the Council to delegate authority to approve proposed revisions of the assistance policy to the Housing Portfolio Holder.
42. In 2012/13 the Council received five formal enquiries for loan assistance under these provisions. The budget allocated was £30,000.

HOME ENERGY EFFICIENCY

43. Good home energy efficiency reduces the cost of heating, contributing to health and wellbeing, combatting climate change, and releasing some

spending power to contribute to the local economy.

44. The principle Central Government policy instruments supporting home energy efficiency depend on levies on consumers' energy bills. Assistance is delivered through schemes managed by energy providers and their appointed partners. Councils can have an important role as partners in promoting appropriate schemes and in signposting help to individual residents. However no specific resources are allocated to support this work.
45. At present Central government hopes to address this issue by means of the Energy Company Obligation [ECO], which is intended to have a particular focus on vulnerable consumer groups and hard-to-treat homes, and the Green Deal, for those with more financial means.
46. While not strictly speaking contributing to energy efficiency, a measure that could potentially help residents with the affordability of energy bills is collective purchasing and switching. This is when consumers get together to negotiate a group deal with their gas and electricity suppliers. It is usually facilitated by a third party, which might be a Council or a group of Councils.
47. Effectively delivering ECO is arguably more of a challenge than with previous home energy efficiency schemes, as many of the readily-reached households have already received assistance. The Green Deal is widely acknowledged as a more complex proposal than grant assistance for example, and is proving slow to demonstrate an impact. Collective Energy switching is most effective when the number of consumers taking part is as large as possible. Given the contribution that the Council could potentially make to promoting suitable measures, the complexity of the area, and the limited resources available, it appears appropriate to work in partnership with other Councils, and to exploit synergies with schemes developed for the Council's own housing, when suitable opportunities arise.
48. Through partnership work with energy providers on the recently completed Herts and Essex Energy Partnership [HEEP] programme, energy efficiency measures to the value of some £650,000 including over 900 cavity wall or loft insulation installations, and 90 new energy efficient domestic boilers, were provided in Harlow.

HOUSES IN MULTIPLE OCCUPATION

49. In every-day terms a House in Multiple Occupation [HMO] is a home with facilities shared by people who make up more than one household. This style of occupation places a higher burden on the amenities such as washing and cooking facilities and communal space normally available, and is acknowledged as carrying a greater risk in terms of fire safety than single family occupation.

50. HMOs with three or more storeys and housing five or more tenants must be licensed under the Housing Act 2004. Licensing ensures that HMOs meet the minimum standards of amenity fire precautions and means of escape in case of fire adopted by the Council.
51. The Council's Community Citizenship Regeneration and Enterprise Overview Working Group has considered issues in relation to multiple occupation and the Council has determined that it will consult on introduction of a licensing scheme for all other HMOs in Harlow. Further detail is available in the consultation document available on the Council's website during the consultation period. Milestones are included in the draft Action Plan appended to this report.

LANDLORD ACCREDITATION

52. Good private sector landlords provide safe decent homes at market rates. Offering recognition through an accreditation scheme can help tenants identify suitable homes to let and differentiate responsible landlords from the more unscrupulous. To be accredited landlords would provide reasonable evidence of standards such as the suitability of accommodation, insurances, and gas safety certification.
53. Accreditation schemes are however likely to be successful only where they are sufficiently large to be widely recognised by landlords and tenants alike, particularly where accommodation is in relative shortage.
54. The Council does not have sufficient resources to create and manage an accreditation scheme that alone is likely to generate such recognition.
55. Should a suitable accreditation scheme be developed locally, for example by potential partners, it may be appropriate for the Council to recognise and support it in Harlow.

EMPTY HOMES

56. Homes in the private housing sector may be unoccupied for a number of reasons: pending letting or sale, improvement, or a grant of probate, for example.
57. A needlessly empty home is a wasted housing resource and in some cases empty homes, particularly if grouped together, can have a detrimental effect on neighbouring property.
58. In addition to existing compulsory purchase powers that may be appropriate,

powers exist in the Housing Act 2004 for the Council to assume management responsibility for long term empty homes. However, this heavy-handed approach is likely to be administratively burdensome and expensive to implement. Using compulsory purchase or the Empty Dwellings Management Order procedure is regarded as a last resort and will not be tenable unless other options have been fully explored. As a result, these powers are seldom used even where empty dwellings are a significant issue.

59. The total number of vacant homes in Harlow has historically been below the national average, and the number of homes that had been vacant for longer than six months, referred to as long-term vacant, is fortunately even fewer. The number of long-term vacant homes in the private housing sector was estimated by the 2008 stock condition survey to be 50, for example.
60. In the circumstances offering assistance to deal with repair or modernisation issues preventing a property from being occupied may be a more appropriate initial approach.
61. Harlow Council has access to a consortium of neighbouring Councils with access to limited capital funding that would allow works to be carried out to make a vacant home fit to occupy. Limited funding may best be used to provide loans which would in principle extend the life of the available capital indefinitely. Proposals for a loan product that would be repayable after a short fixed term and would be repayable on any sale of the dwelling if sooner, are being developed. Proposals for implementation of such a scheme are included in the draft Action Plan.

IMPLICATIONS

Regeneration (includes Sustainability)

Interventions targeted on the existing housing stock, which can assist in ensuring that it remains useful and sustainable, complement regeneration work that can add to or comprehensively renew parts of the stock that have outworn their usefulness.

Author: **Graeme Bloomer, Head of Regeneration**

Finance (Includes ICT)

Proposals in the Action Plan are to be delivered within existing resources except those for HMO licensing which have been considered elsewhere.

Author: **Simon Freeman, Head of Finance**

Housing

The revised Private Sector Housing Action plan updates the Council's approach to addressing concerns about the poor state in which some private sector landlords/owners maintain their properties. This provides a strategic framework setting out the Council's aims and objectives for the targeting of resources and the establishment of priorities.

Author: **Andrew Murray, Head of Housing**

Community Wellbeing (includes Equalities and Social Inclusion)

A balanced approach to housing assistance and enforcement of housing standards, particularly in HMOs, can combat unacceptable housing conditions and the multiple adverse impacts on wellbeing that result.

Author: **Lynn Seward, Head of Community Wellbeing**

Governance (includes HR)

By following a proper consultation process regarding the implementation of a new licensing regime for HMO and paying due regard to the results of such consultation, the Council when adopting a new scheme will have reduced its risk of challenge. By working with PLACE to ensure that any loan agreements meet the statutory requirements regarding consumer credit and lending powers of a local authority the Council will have again assist in reducing the prospect of challenge.

Author: **Brian Keane, Interim Head of Governance**

Background Papers

[These are papers referred to in the preparation of the report that are not attached as appendices but that are available for public or Councillor study.]

Housing Health and Safety Rating System Operating Guidance: ODPM
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/15810/142631.pdf

Regulator's Compliance Code and Enforcement Concordat: Department for Business Innovation and Skills
<http://www.lbro.org.uk/docs/regulators-compliance-code.pdf>

The Green Deal: <https://www.gov.uk/green-deal-energy-saving-measures>

Energy Company Obligation: <https://www.gov.uk/energy-company-obligation>

Consultation on Additional Licensing scheme for HMOs in Harlow:
<http://www.harlow.gov.uk/hmos-licensing>

Glossary of terms/abbreviations used

OT: Occupational Therapist

DFG: Disabled Facilities Grant

HMO: House in Multiple Occupation

HEEP: Herts and Essex Energy Partnership

ECC: Essex County Council
ITF: Integration Transformation Fund
CCG: Clinical Commissioning Group
PEHO: Principal Environmental Health Officer
EH: Environmental Health
ECO: Energy Company Obligation