

Annex B

BUSINESS CASE FOR UNDERTAKING A STOCK CONDITION SURVEY

1. Background

The Housing Act 2004 s3 requires that a local housing authority must keep the housing conditions in their area under review with a view to identifying any action that may need to be taken by them. It is not prescribed as to what needs to be collected or at what frequency.

a) Meeting the Council's Corporate Objectives

- To meet housing need in the Ryedale District area
- 'To have a clean and sustainable natural environment'. Action to reduce fuel poverty can help to reduce greenhouse gases and so helps to contribute towards this objective.

b) York, North Yorkshire and East Riding Housing Strategy 2015-21

Priorities and actions agreed by Ryedale District Council include:

- i) Priority 2 - Ensure that our housing stock reflects the needs of urban, rural and coastal communities.

Proposal 3 - Address the needs of coastal housing markets including tackling deprivation and poor quality private rented and owner occupied housing.

- ii) Priority 3 - Ensure that our housing stock meets the diverse needs of our population at all stages of their lives.

Proposal 2 - Increase the number, quality and range of homes suitable for working age households, including the private rented sector and for first time buyers, to enable mixed and sustainable communities.

- iii) Priority 5 - Continue to make best use of existing stock and ensure it is of a decent quality to meet the needs of our communities.

Proposal 1 - Develop and maintain an understanding of the condition of existing stock.

- iv) Priority 6 - Ensure all homes have a positive impact on health and wellbeing and are affordable to run.

Proposal 2 - Continue to deliver investment in Energy Efficiency works and make best use of Disabled Facilities Grants

Proposal 3 - reduce the impact that poor housing has on health and wellbeing.

c) Ryedale District Council Draft Housing Strategy 2015-21

- i) Undertake private sector stock condition survey

Link with Strategic Housing Market Assessment (SHMA) and stock condition survey to ensure needs are understood

- ii) Continue to make best use of existing stock and ensure it is of a decent quality to meets the needs of our communities.

d) Ryedale District Council achieving the Gold Standard

Meeting the local challenge to develop a suitable private rented sector offer for all client groups, including advice and support for both client and landlord by mapping the current private rented housing stock in the district, recording the condition, and where appropriate, identify actions to improve housing conditions.

e) Ryedale District Council response to Fuel Poverty

On the 1 October 2015, the Scrutiny Committee considered the results of a review of fuel poverty in the Ryedale area.

The aim of the review was to answer the following questions:

- i) Define the scale of the problem in Ryedale - extent and depth of fuel poverty
- ii) Review the effectiveness of government initiatives in Ryedale
- iii) Determine the potential for community led fuel generation schemes to improve energy costs - what role do the community rights play in these?
- iv) Assess the potential to influence the policy environment and prepare draft responses.

Key findings included:

- i) Fuel poverty caused by a combination of the following factors: energy inefficient housing; fuel costs; household incomes. The 2001 UK Fuel Poverty Strategy defined a household as fuel poor if it needed to spend more than 10% of its income to achieve adequate energy services in the home, including reaching temperature standards this figure indicated that 26% of households in Ryedale were in fuel poverty and so the third worst in the country (324 out of 326). The Hill Fuel Poverty Review 2012 altered this to the new High Cost Low Income indicator; in Ryedale, this equated to 11.1% (2,583) of households with ranking 187 out of 326 authorities.
- ii) It is not possible to find the fuel poor in Ryedale through the analysis of data currently available, it may however be possible to identify the fuel poor if the following data was available: a detailed stock condition survey; energy performance certificate data; self reported data collected by front line services.

One of the recommendations made to Council was:

- i) To agree the funding for a stock condition survey for all property in Ryedale to provide the data to support the development and targeting of future initiatives to improve affordable warmth throughout the district.

2. Why the Survey is Needed

It is vital the Council has up-to-date information about the condition of the private rented stock in order to understand the lettable condition and identify any issues relating to Decent Homes Standards, Housing Health and Safety Ratings Systems (HHSRS), Health Impact Assessment and any Houses in Multiple Occupation (HMOs). The survey will also provide the data to support the development and targeting of future initiatives to improve the affordable warmth throughout the district.

There are different levels of data that can be collected and can include information on the following;

- have an understanding of the condition of the stock within the district
- Can be used to assess health impact of poor housing on health
- Can have a better understanding of the type and number of HMOs on the district, which would be useful should Government decide to extend mandatory licensing to 2 storey HMOs
- Can be used to estimate the potential health costs and savings to the NHS and society in general
- Can report the number of poor dwellings
- Can quantify the cost of improving these poor dwellings
- Can highlight the areas of most fuel poverty
- Can allow for a more efficient targeting of resources
- Can be used to link the HHSRS with cost of health impact
- Can be used as a guide to assess the location of the most vulnerable on the District
- The information obtained from the data may be used to attract funding

The information obtained from the stock condition survey can also be used as a guide for comparison against national averages such as.

- percentage of non-decent properties
- indication of the number of dwellings which fail the thermal comfort model
- number of properties in fuel poverty

The new survey would confirm the methodology that was taken by the Scrutiny Review - Fuel Poverty and Affordable Warmth.

The intention would be to commission the Building Research Establishment (BRE) to provide an updated picture of the condition of the stock to provide a complete picture of the private sector.

3. Options

- a) Option 1 - To undertake a Housing Stock Condition Survey and commission the BRE to provide the required data

The last stock condition survey completed by Ryedale District Council was in 2008 and this cost the authority circa £35-40K. It is not recommended to go down this route but rather to gain sufficient data on the sector in order to direct any available resources most effectively.

HHSRS is the method by which housing condition is assessed in accordance with the Housing Act 2004

RDC need to maximise the contribution made by the private rented sector in Ryedale towards meeting current and future need through tailored, targeted and proportionate intervention and support, designed to secure safe, well managed and decent accommodation.

The private sector is becoming an increasingly important party of the whole housing market for residents. The last census in 2011 found that there were 3000 privately rented households in Ryedale. Through the Ryedale Housing Strategy and the York, North Yorkshire and East Riding Housing Strategy there is a commitment to supporting and improving the private rented sector, which makes up 14.7 % in the district compared to 14.4% average across Yorkshire and the Humber.

The last stock condition survey in Ryedale was completed in 2008. It is important to have up to date information about the condition of this sector within Ryedale. The current data available to use is now unreliable. This information is then used to direct our work through the Private Sector Strategy. To undertake a full Stock condition survey would be very expensive, however up to date information is critical to ensure that we are targeting our resources effectively.

There is the option to commission the BRE to provide data on the private sector that would meet the needs of the Council. The work that can be completed could also include a Health Impact Assessment.

The information from the BRE will provide a complete picture of the sector in order to target a finite number of available resources. There are issues within the sector at the moment such as fuel poverty, damp, mould and excess cold.

The BRE approach can also offer a quantitative health impact assessment of the district.

b) Option 2 - Health Impact Assessment

In addition to the stock condition information there is the ability to undertake a Health Impact Assessment, these have recently been completed by other LAs across North Yorkshire.

The governments white paper "Health Lives, Healthy People" has indicated that the Government's aim to bring public health back into local control by the establishment of the Health and Wellbeing Board. Housing has a large part to play within public health and the results will provide a report which will contribute real evidence of the costs and benefits of improving housing in the private sector, and the costs to health of not doing so.

This has been reflected with the Public Health England launching a series of Health and housing resources which bring together housing and public health and enable better health and wellbeing. Collaboration between local professionals - from environmental health and housing to allied health, public health and social care, is central to integrate housing as a means to improve health outcomes and reduce health inequalities.

Ryedale District Council have recognised that poor housing has an effect on health, as most occupiers spend longer in their homes than anywhere else. The Council can

commission BRE to use private sector housing stock to estimate the incidence of hazards in dwellings that may affect the health of occupiers and visitors.

To understand better the effect of this data on health, the Council can request a Health Impact Assessment to be carried out. The HIA is a formal method of assessing the impact of a project, procedure or strategy on the health of the population. The HIA considers the impact of current housing conditions and the effect of possible interventions to reduce the number of hazards on health.

This will provide an estimate of the number of people living within the Ryedale area that would be affected by hazards in the home and also the health costs.

c) Option 3 - HMO Data

The HMO data is used by extracting information from Experian, this would only be a best estimate. However, due to the proposed changes in legislation evidenced in the proposal to extend mandatory licensing of HMOs to all HMOs as opposed to those with 5 rooms on three levels or more. It is information that could quantify the extent of the issue within Ryedale and the increased pressure on a Local Authority to comply with this.

The Government's intention is to support good landlords who provide decent well maintained homes and avoid unnecessary further regulation on them. However, certain parts of the sector, particularly at the lower end, house some of the most vulnerable people in our society who do not have access to alternative housing.

With proposed changes to housing benefit, shared housing and HMOs will become the housing in most need for all under 35s.

d) Option 4 - Take all Data Options

e) Option 5 - Take no action

If a stock condition survey is not undertaken it would be difficult to effectively target the limited resources which are currently available within the Council. Similarly If the Mandatory Licensing Scheme is extend this would also become difficult to administer without this knowledge. Pertinent information would be unavailable if further bids are forthcoming from DECC to reduce fuel Poverty which may be associated with the launch of the New Committee for Fuel Poverty from DECC.

g) Preferred option

The preferred option is Option 4, and this would be funded with a contribution from Affordable Housing Commuted Sums of £35,140 k

4. Costs of commissioning the data

a) Option 1

Modelled data - Housing Standards Variables
Category 1 Rating System Hazard
Category 1 Rating System Hazard for Excess Cold
Category 1 Rating System Hazard for Falls
Sample SAP rating
Fuel Poverty

	Disrepair	
	Low income Household	
	Housing stock model report	
	Experian Segmentation Data - Annual license fee	
	for 1 year license period	
	Glossy Executive Summary Report	<u>£22,140</u>
b)	<u>Option 2</u>	
	All of Option 1 +	
	Health Impact Assessment	<u>£32,140</u>
c)	<u>Option 3</u>	
	All of Option 1 +	
	Modelled data - HMO's	<u>£25,140</u>
d)	<u>Option 4</u>	
	All of the above	<u>£35,140</u>

The BRE Modelled data will provide us with the Housing, health and Rating standard information. Information on low incomes and fuel poverty, EPC and SAP banding and disrepair including decent homes. The £10,000 for the health impact assessment is not necessary but provides additional information of benefit to the Council and can be used as a basis of the evidence needed to link health and housing. It would be of more interest for Health and Well Being Boards and may be used to obtain funding from Health in the future.

As a Council it is important to encourage an increase in the standard of accommodation in the private sector, the Council can address disrepair through the HHSRS system but in order to target resources additional information on the actual issue needs extrapolating. Poor housing conditions not only have a detrimental effect on the health and wellbeing of the occupiers but also pose a risk to life for the most vulnerable.

The Council provides discretionary loans to owner occupiers and loans and grants to landlords. These need to be marketed in the correct areas, in addition the Council has been successful in applying for funding streams to address fuel poverty, this data will provide the evidence needed to support those bids.

5. Timescales

BRE have indicated that the draft report can be available within 12 weeks from the commencement of the survey, however a further 2-3 months would be required to allow for the data to be analysed and checked.

However, the more internal data that can be provided by the department will produce a more comprehensive report. This could include housing benefit data, access to the property gazetteer and any HMO data that we hold. There is EPC data which can be purchased from DECC for approx £400-500 which can also be used to inform the survey, I would strongly recommend that this is purchased prior to the survey.

6. Funding

The funding would come from Commuted sums collected by the council

At the Commissioning Board on the 22 March 2012 the Council agreed to the protocol for the spending of the Commuted sums it was agreed that "An element of each commuted sum may also be used to contribute towards the Council's revenue and associated administration costs in facilitating developing a more strategic approach to affordable housing policy and investment across the District".