



Ryedale District Council

REPORT TO: Community Services and Licensing Committee

DATE: 25 September 2008

REPORTING OFFICER: Housing Services Manager - Richard Etherington

SUBJECT: Private Sector Housing Strategy

WARDS AFFECTED: All

1. PURPOSE OF REPORT

To seek Member approval for the adoption and implementation of the revised draft Private Sector Housing Strategy.

2. RECOMMENDATIONS

It is recommended that Members:

- (a) Approve the adoption of the revised draft Private Sector Housing Strategy (PSHS) to ensure that the condition of the private sector housing stock addresses the housing needs of the community; and
- (b) Agree the disposition of the 2008/09 Regional Housing Pot allocation on the basis:

▪ Staff Resource	£25,000
▪ Decent Homes Loan	£150,000
▪ Energy Efficiency Grants	£100,000
▪ Empty Property Grant	£81,000

3. BACKGROUND

- 3.1 The PSHS defines the principles through which the Council will provide assistance to owner occupiers, tenants and landlords in the private sector. Under the Housing Act 2004 local authorities have a duty to monitor the condition of the housing stock in their area to identify what actions need to be taken under the various statutory provisions. The Regulatory Reform Order (RRO) 2002 repealed much of the previous prescriptive legislation in relation to the award of financial assistance and gave new powers to local authorities to provide assistance for private sector renewal. The RRO requires that a policy be published on the assistance that is provided, founded on an evidence based and targeted strategic approach.
 - 3.2 To assist local authorities in the development of their approach the Audit Commission has defined service levels they would expect council's to offer in the Private Sector Key Lines of Enquiry (KLOE).
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- 3.3 The current Ryedale policy and strategy was formulated in 2002, with a minor amendment in 2006, without the benefit of the KLOE and based on research carried out using the old 'fitness standard' to measure house condition, and when housing market conditions were very different to today.

4. INTRODUCTION

- 4.1 The draft Strategy details a broad range of proposals to assist owner occupiers, landlords and tenants in the private sector with housing renewal, based on a combination of advice and advocacy, financial assistance and enforcement. The proposals reflect the government's agenda of ensuring that vulnerable households have decent homes and recognise local priorities such as the provision of affordable housing and measures to address fuel poverty. An element of capital funding is required in order to provide the necessary financial assistance. This is available from a combination of the Council's own financial resources and successful external funding bids, with a shift in emphasis from grants to loans to develop a resource which may be recycled, thereby increasing the future opportunities for individuals to benefit from assistance.

5. POLICY CONTEXT

- 5.1 The Private Sector Housing Strategy seeks to achieve those aims and objectives of the Ryedale Housing Strategy that relate to the condition of the private sector housing stock. It also impacts on one of the Council's six corporate aims and informs the corporate objectives which support the aim. Some of the proposed initiatives concerning the award of grant/loans will need to be evaluated according to the adopted criteria for determining capital priorities in line with the Council's capital strategy. Any such determination would be evaluated under the broad heading of affordable housing provision.
- 5.2 The draft Private Sector Renewal Strategy has regard to the following:
- The Audit Commission's Housing Key Lines of Enquiry (KLOE) "Private Sector Housing"
 - The results of the recently completed Private Sector Stock Condition Survey
 - The Housing Market Assessment completed in 2007
 - The results of the latest Home Energy Conservation Act Survey
 - Recent changes to housing legislation such as the introduction of the Housing Health and Safety Rating System (HHSRS)

6. REPORT

Government policy is that the responsibility to maintain private property rests firmly with the owner. It is not desirable or affordable for the Council to seek to offer assistance for all private sector housing problems. However, the private sector housing stock is a major public asset and targeted investment by the Council in sub-standard stock provides long term public benefit and assists vulnerable groups to remain in their own homes. The total amount of assistance that can be offered is directly related to the available funding and a change of emphasis is proposed from grant to loans in certain circumstances. This will create a resource that can be recycled and thus benefit a greater number of individuals in the longer term.

- 6.2 Ryedale does not suffer from well-defined large scale areas of housing disrepair, with properties in disrepair tending to be dispersed throughout the district. Consequently it is not appropriate to adopt a policy based on a large-scale

renewal; such issues must be addressed on an individual basis. The provision of affordable housing is a corporate aim of the Council and PSHS recognises the vital role that the existing housing stock plays in meeting affordable and other housing needs. The current down turn in the economy, together with high energy costs and an above average percentage of elderly residents in the district (many of whom are on fixed incomes), means it is essential that the policy endeavours to address the problems associated with fuel poverty.

- 6.3 The results of the recently completed Private Sector Stock Condition Survey of Ryedale have informed the policies and approach of the PSHS, in particular that::
- 32.4% of the private sector stock fails to meet the requirements of the Decent Homes standard (compared to 37.5% in England).
 - 23.1% of the private sector stock does not meet the minimum standard for housing in that they exhibit a Category 1 hazard.
 - Poor housing conditions in the district are associated with households who are socially and economically disadvantaged.
 - It is estimated that 24.4% of all private households may be deemed to be vulnerable of which 40.7% live in non-decent housing.
 - Elderly households comprise 41.8% of all households living in non-decent housing.
 - Economically vulnerable households account for 29.3% of all households in non-decent housing.
 - 34.8% of private sector households are in fuel poverty.
 - 13.5% of private sector dwellings fail to meet the energy efficiency requirements of the Decent Homes standard.

Aims and Priorities of the Private Sector Housing Strategy

- 6.4 The strategic aims of the PSHS are:
- (a) To improve the quality of the private sector housing stock, particularly for vulnerable and elderly households;
 - (b) To enable individuals to live independently and remain in their own homes for as long as possible;
 - (c) To increase the supply of good quality private sector accommodation and maximise its contribution towards the provision of affordable housing.
- 6.5 The strategic aims will be achieved by concentrating on eight key priority areas:

Reducing the number of non-decent homes

The Decent Homes Standard is the nationally recognised method of assessing the quality of housing. The government has set national targets to ensure that vulnerable private sector households live in decent homes. The available financial assistance will be focused in part on providing support to this client group.

To improve energy efficiency and address fuel poverty

The issue of fuel poverty is of major concern as Ryedale has a relatively low wage economy and a high number of elderly residents, many who are on fixed incomes. The rural character of the district also means that many households do not have access to mains gas supplies and have to rely on

what are traditionally more expensive forms of heating. The age and nature of much of the housing stock does not readily lend itself to more conventional means of securing improvements in energy efficiency and this adds to heating costs and increases the likelihood of fuel poverty. It is proposed to concentrate available financial resources in tackling this challenge, linking where possible with the Government's Home Energy Saving Programme (announced on 11 September 2008).

Facilitating a well maintained and managed private rented sector

The private rented sector has a major role to play in meeting the housing needs of the district, particularly given the increasing demand for affordable housing coupled with an inability of first time buyers to purchase their own property, and Housing Associations inability to meet this demand from their existing stock. Private rented accommodation can be associated with poor housing conditions and management practises which can lead to a high turnover in tenants, reducing community cohesion and stability. A greater proportion of the private rented housing stock fails to meet the Decent Homes standard compared with the owner occupied sector. It is vital to maintain links with landlords to encourage good practise, particularly for higher risk properties e.g. houses in multiple occupation.

To assist the elderly and disabled to achieve independent living

There is increasing demand for financial assistance from the elderly and disabled in order to continue to enable them to occupy their own homes and maintain independent living. This comes in the form of requests to help with repairs and improvements, and requests for adaptations to help mitigate the effects of a disability. This has been recognised through exchequer contributions and capital allocations from the Council's own resources to provide both match funding and deliver local initiatives. It is proposed to continue this in the new Strategy.

Reducing the number of empty residential properties and obsolete storage/commercial space

Efforts will continue to identify and reduce the long-term empty properties in the district and bring them back into mainstream housing use. It is also proposed to explore the potential for under-used commercial and storage space to address the need for affordable housing.

Improved access to the private rented stock for those in housing need

This will further complement the work already proposed as a new initiative to enable the provision of affordable housing for those in housing need who traditionally would have accessed the social housing sector or sought owner occupation as a solution to their housing needs but who are now no longer able to do so.

Ryedale Home Improvement Agency

Following Member approval for the development of an in-house Home Improvement Agency the help and assistance that is available to elderly and vulnerable residents as part of the remit of the Agency will be increased.

Increasing Crime Prevention Measures

As part of our contribution towards community safety some form of financial assistance to elderly and vulnerable residents to both improve security measures and help combat the fear of crime will be provided.

Proposed Approach of the Private Sector Housing Strategy

- 6.6 These key priorities will be achieved through the delivery of private sector housing services centred on the themes of advice, advocacy, financial assistance and enforcement. The draft strategy recognises the need for partnership working and the contribution it can make in supporting other corporate strategies and services. Although grant assistance will continue to be available there will be more emphasis placed on loans as a mechanism for delivering financial assistance. This will create a resource that can be recycled for future use and ensure that an increased number of residents can benefit.

7. OPTIONS

Although Government repealed much of the existing prescriptive legislation governing the provision of renewal grants and replaced it with a new wide ranging power to provide assistance for housing renewal, an authority would be failing in its duty if it did not make reasonable provision for assistance to meet local needs. The level of capital funding available to support the various initiatives in the Strategy will be determined as part of Council budget setting.

8. FINANCIAL IMPLICATIONS

- 8.1 The Strategy contains proposals for various funding streams in order to assist eligible applicants with housing renewal and related initiatives. Some of these financial resources are provided directly from the Council's own capital programme whilst others result from successful funding bids to the Regional Housing Board. Funding bids are made to the Council's capital programme on an annual basis and evaluated according to the Council priorities, and this will determine the level of its own resources that the Council will allocate to delivery of the PSHS. However, there is a need to determine use of the £356,000 allocation for 2008/09 that has been received from the Regional Housing Board (RHB) in the form of the Housing Capital Pot for private sector renewal.
- 8.2 To deliver this ambitious programme it will be necessary to employ an additional staff resource to process grant applications. The initial funding bid to the RHB was a sub regional bid which was the aggregated sum of the individual local authority bids. In order to ensure that the indicative allocations for 2009/10 and 2010/11 are received it is important that collectively the sub region delivers the programme for which the funding was granted and as such any likely under spend in a particular local authority could be re-allocated to another authority. The terms under which the funding has been allocated allow for some of it to be used for revenue purposes if it will aid delivery of the programme and produce the necessary outcomes. As such around £25,000 would be top sliced from the £356,000 in order to provide this staffing resource. The appointment would be on a fixed term contract linked to the availability of the external funding stream so as not to draw on the Council's own revenue funding.

- 8.3 It is proposed that the residual external funding of £331,000 be allocated across the following grant / loan initiatives:
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|----------------------------|----------|
| ▪ Decent Homes Loan | £150,000 |
| ▪ Energy Efficiency Grants | £100,000 |
| ▪ Empty Property Grant | £81,000 |
- 8.4 The Capital Programme 2008/09 has the following provisions for disabled facilities grants and affordable housing initiatives:
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| ▪ Disabled Facilities Grants | £473,000 |
| ▪ Home Repair Grants | £150,000 |
| ▪ Empty Property Grants | £30,000 |
| ▪ Houses in Multiple Occupation Grants | £30,000 |
- 8.5 It is proposed that the current Home Repair Grant provision of £150,000 be amended to a combination of Home Repair Grant and Home Repair Loan with an allocation of £75,000. This progresses the transition from grants to loans whilst still providing assistance for the vulnerable and elderly members of the community.

9. LEGAL IMPLICATIONS & RISK ASSESSMENT

- 9.1 There are no legal implications in that the initiatives proposed within the PSHS are consistent with the duties of the Council as the local housing authority. The PSHS is based on robust information in the Private sector Conditions Survey and a coordinated approach with other north Yorkshire local authorities and the Regional Housing Board, thereby minimising risk.

10. CONCLUSION

- 10.1 The PSHS will provide a focus for housing renewal in the district and affords the opportunity to amend existing policies and develop new initiatives in response to changing situations. It has been developed with regard to changing government initiatives in relation to housing renewal and to ensure that the potential of the private sector housing stock is fully realised in addressing local housing issues.
- 10.2 The Strategy recognises that private sector housing renewal assistance should reflect the needs of the service user. It aims to promote a greater awareness of the services on offer, and establish feedback mechanisms to tailor assistance to residents needs.

Background Papers: Ryedale Private Sector Stock Condition Survey 2007

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