

Report of the Director of Regeneration to the meeting of Executive to be held on December 6th 2016.

AL

Subject:

Comprehensive Housing Renewal Policy

Summary statement:

This report presents a progress report on the implementation of the Council's Comprehensive Housing Renewal Policy and proposals to extend the scope of the Policy to provide an additional form of assistance for residents in order to improve housing conditions within the district.

Mike Cowlam
Director of Regeneration

Portfolio:

Health and Wellbeing

Report Contact: Julie Rhodes,
Principal Operations Manager
Phone: (01274) 431163
E-mail: julie.rhodes@bradford.gov.uk

Overview & Scrutiny Area:

**Regeneration and Economy
Health and Social Care**



1. SUMMARY

This report presents a progress report on the implementation of the Council's Comprehensive Housing Renewal Policy and proposals to extend the scope of the Policy to provide an additional form of assistance for residents in order to improve housing conditions within the district.

2. BACKGROUND

- 2.1 The Comprehensive Housing Renewal Policy provides a framework through which the Council and its partners can improve housing conditions within the District. The policy was developed in response to the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 (RRO 2002), which required the Council to approve and publish a Housing Renewal Policy in order to continue to provide any housing renewal assistance to the residents of the district.
- 2.2 The Comprehensive Housing Renewal Policy was originally endorsed and adopted at Executive in June 2003 in response to legislative changes introduced through the RRO 2002. A further report and update was considered by the Executive in 2004 but since that date, in line with the decision made by the Executive, amendments to the Policy have been made by the Strategic Director under his delegated authority. The most recent update having been made in August 2014.
- 2.3 The Comprehensive Housing Renewal policy introduces a broad framework which has regard to and is consistent with government policy, new legislation, house condition survey information and corporate and district priorities. It provides the Council with a much greater degree of flexibility than previous policies along with the opportunity to develop and deliver new forms of assistance that are appropriate to local needs.
- 2.4 The main emphasis of the Government guidance that accompanies the RRO 2002 is that it is primarily the responsibility of homeowners to maintain their own homes through use of their own resources. It is recognised however, that some homeowners, particularly the elderly and vulnerable, do not have the necessary resources to keep their homes in good repair and that Local Authorities have an important role in these cases to provide assistance.
- 2.5 The policy ensures that a "safety net" is provided to support the most vulnerable people living in poor housing conditions throughout the District whilst providing advice and support for those owners with the ability to unlock their own private finance to do so. The policy also enables the Council to work with its partners to provide comprehensive support, advice and encouragement to homeowners to enable them to take responsibility for their own homes.
- 2.6 When the policy was initially introduced in 2003 the availability of products to assist homeowners on low incomes to maintain their own homes was limited. This was recognised by the housing officers within the South and West Yorkshire Authorities and a scheme was developed to provide equity release loans for clients. The



loans are provided based on a percentage of the property value equivalent to the value of works undertaken. There are no monthly payments and repayment is only required at the point a property is sold, transferred etc. The amount of grant repaid will depend on the property value at the point of transfer but will always repay the amount invested.

- 2.7 Administered by Sheffield City Council (now on a regional basis) since 2005 the provision of equity share loans known as Home Appreciation Loans (HALs) is now the main form of assistance offered by the Council, although the Council does make provision for a small “last resort” grant of up to £5K for vulnerable homeowners who are unable to access the equity loan but who require urgent works to remove health and safety hazards. This is in line with the statutory guidance provided under the Regulatory Reform Order 2002.
- 2.8 Bradford has been one of the key partners in the development of the regional loan scheme. When the scheme was first developed the partners were successful in obtaining regional funding for the scheme. Through this regional funding Bradford was able to assist 119 homeowners with loan assistance to a total value of £1.3m. As this loan funding is repaid to the region it has continued to fund the Regional Homes and Loans service and has now created a small loans pot that can be used to fund further loans on a regional basis.
- 2.9 The regional funding for loans was unable to meet demand for assistance in Bradford. In view of this the Council has chosen to utilise its own funding to assist vulnerable homeowners to maintain their own homes. In doing so the Council has assisted a further 194 homeowners to a total loan value of £3.6m. Projections estimate that these loans are likely to be repaid on average after 10 - 12 years. As these loans are repaid the funding is being used to fund further loans. Over time this should enable the loan fund to be self-sustaining.
- 2.10 Building on the success of the HAL, Bradford has worked closely with Sheffield to develop an equity share loan to assist empty property owners to bring long term empty properties back into use. This loan, known as an Empty Property Loan (EPL) was developed and introduced in 2011 along with a last resort grant of up to £5K for owners who are unable to access the equity loan but who require assistance to bring their long term empty property back into use. Initially developed for and by Bradford the product is now regionally available for other authorities to use.
- 2.11 In addition to assistance for individual property owners the policy does contain a number of forms of assistance that could facilitate area regeneration. These include Group Repair, Facelift and Living Over the Shops. During the policy’s “lifetime” Bradford has benefited from national and regional funding for housing renewal and has utilised this funding to deliver these forms of assistance on an area basis to achieve regeneration objectives. Unfortunately such funding is no longer available but it is suggested that the forms of assistance are retained within the policy framework so that the Council is able to utilise them should funding opportunities arise. The policy is clear that any of the forms of assistance in the policy will only be made available subject to the availability of financial resources.



- 2.12 As outlined at paragraph 2.8 above, the recycling of repaid loans at a regional level has created a small fund that can be used to provide loans on a regional basis. This has coincided with work that has been taking place at a Leeds City Region (LCR) and regional level relating to energy efficiency. Loans have always been provided to remove health and safety hazards, one of which is excess cold, but officers identified that some clients were unable to access energy programmes designed to help with energy efficiency measures because they were unable to fund their assessed contribution.
- 2.13 In order to address this officers have developed a regional product known as the Energy Repayment Loan (ERL). Administered by the Regional Homes and Loans service hosted at Sheffield City Council, the loan is designed as a small repayment loan to assist these clients with their assessed contribution and so access energy efficiency measures for their homes. This loan will initially be funded from the recycled regional loan fund.
- 2.14 In order to help Bradford residents with the ERL, the product must first be included within the Comprehensive Housing Renewal Policy. Members are therefore asked to approve the inclusion of the ERL in the policy as they approve the updated policy.
- 2.15 In order to utilise products administered by the Regional Homes and Loans service hosted by Sheffield City Council, the Council needs to enter into a contractual arrangement with Sheffield. Such agreements are already in place to enable Bradford to use the HAL and EPL products. A further agreement will need to be established for use of the ERL. This can be authorised by the appropriate Strategic Director under delegated authority.

3. OTHER CONSIDERATIONS

- 3.1 The 2015 Private Sector Stock Condition Survey estimated that 16% of the District's private sector stock contained a Category 1 hazard when assessed using the Housing Health and Safety Rating System (HHSRS), with the most frequently occurring hazards being associated with falls and excess cold.
- 3.2 Analysis of the presence of Category 1 hazards by tenure shows that 14% (19,986) of owner occupied properties and 21% (8,291) of privately rented properties contain such hazards.
- 3.3 For the majority of people within the District owner occupation is the tenure of choice and provides decent housing that satisfies their needs and aspirations. From the Stock Condition survey we know that almost 120,000 homes do not contain a Category 1 hazard.
- 3.4 It is estimated that poor housing conditions are responsible for over 1,774 harmful events that require medical treatment every year. The estimated cost to the NHS of



treating accidents and ill health caused by these hazards is £6.5m per year. If these hazards were mitigated the total annual savings to society are estimated to be £16.3m including £6.1m savings to the NHS.

- 3.5 The Private Sector Stock Condition Survey identified excess cold as one of the most frequently occurring hazards. It also estimated that fuel poverty affects 15% of owner occupiers and 28% of those in the private rented sector, with those considered most at risk being elderly and low income households. This underlines the need for an integrated approach to tackle poor housing conditions and energy efficiency.
- 3.6 A comparison with the results from the previous Stock Condition Survey undertaken in 2007 indicates that there has been an improvement in property conditions but that there are still significant issues with property condition in the private sector and, in particular, the private rented sector.

This improvement is reflective of the various interventions that the Council and its partners have developed and delivered to improve housing conditions in the district. These include:

- The delivery of financial assistance through equity loans. The Council provides equity loans to vulnerable homeowners to remove Category 1 hazards. To date the Council has delivered over £5m of equity loans and has an outstanding loan book of £3.3m. Through the 2015/16 budget process members approved further funding of £1m/year to continue this programme. Bradford was a founding member of the regional equity loan product and is the highest user of the regional loans service.

Bradford has been working as part of a regional team to develop the Energy Repayment Loan (ERL) to enable households in fuel poverty to access energy efficiency schemes where they are unable to otherwise raise their personal contribution.

- Enforcement in the private rented sector – despite a reduction in the size of the team, the service continues to deliver a reactive and targeted proactive service in addition to the mandatory licensing scheme for HMOs . In 2015/16 officers identified over 4000 hazards using the HHSRS and housing conditions were improved in 1330 properties. The service has just completed the delivery of a proactive project to target residential properties located over shops using DCLG funding to tackle rogue landlords. 160 properties were inspected over a 3 month period. These properties were targeted due to the increase risk of the hazard of fire.
- Empty Homes programme – In October 2015 there were 3,944 long term empty properties which is a reduction of 3,358 since 2009/10. The team uses a range of tools from advice, through Empty Property loans through to enforcement using compulsory purchasing powers. The team helped to develop the regional empty property loan that is now in use across the region and continues to work closely



with other partners to access funding streams and bring additional empty properties back into use.

- Major adaptations for disabled people – demand for major adaptations continues to increase. The average referral rate for a disabled facilities grant (DFG) has averaged 55 new cases/month for the last 2 years. Adaptations funded through DFG enable disabled people to continue to live independently in their own homes. Through the 2015/16 budget process members approved further funding to continue to give priority to this programme. This is in addition to a significantly increased government grant via the Better Care Fund.
- Domestic energy efficiency programmes - the Council delivered measures to 74 private sector homes in 2015/16 through schemes using funding from the Green Deal Communities Fund and the Department of Energy & Climate Change and will improve a further 300 homes through the Better Homes Yorkshire and Fuel poverty programmes in 2016/17.

3.7 The importance of having decent homes that people can afford to live in is one of the six key objectives within the Council Plan. The fundamental principles of the Comprehensive Housing Renewal Policy contribute not only to the housing objective within the Council Plan but also more widely as:-

- Good quality housing attracts companies and workers - leading to an economically prosperous district
- Children and young people are better able to benefit from education if they are well housed – leading to a district of excellence in learning
- Good quality housing promotes community safety – leading to a safer place in which to live, work and play
- High quality, affordable, warm homes promote health and well being – leading to a healthy district

3.8 The impact of housing on health is widely acknowledged. In Bradford the Housing Stock Condition survey was a jointly commissioned exercise between Housing and Public Health and the findings will be used to inform future service delivery. The importance of housing conditions to public health is also reflected in the fact that the officers delivering loans within the Housing service are funded through public health.

4. FINANCIAL & RESOURCE APPRAISAL

4.1 This policy framework has fundamentally reshaped the use of the capital programme for housing renewal, from one based on grants to one where subsidy is used to provide support and encouragement to homeowners and to facilitate, where



appropriate, leveraging in of private finance to improve the condition of the housing stock.

- 4.2 The policy enables the Council to focus its resources on a more proactive, strategic and cost effective basis by effective targeting of resources towards vulnerable groups and to achieve a more sustainable stock.
- 4.3 The policy needs to be both robust and flexible enough to allow the service to deliver its objectives within budgetary constraints as these may vary from year to year.
- 4.4 The development and use of a regional Homes and Loans service has enabled all authorities in the region to benefit from the expertise that has been developed by the service, from the increased value for money obtained through procurements undertaken for the whole region by the service and to avoid the costs of duplication of service. All running costs for the scheme are currently met through the recycled regional loan funding and/or individual costs of loans which are incorporated into the loan amounts given.
- 4.5 Expenditure will be contained within the available budgets allocated to the housing capital schemes each year.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

- 5.1 In order to protect the Council against any risks associated with the use of loans appropriate contractual arrangements with the Contractor, the other Councils and the beneficiaries of the scheme will be put in place in order to limit the Council's risk. Such contractual arrangements will only be agreed subject to approval by the Council's Legal and Finance departments.
- 5.2 Loans delivered using Bradford's capital funding are administered by Sheffield City Council on Bradford's behalf but capital funding used for the loans remains at Bradford and is subject to the relevant audit processes implemented by the Council.
- 5.3 Loans delivered in Bradford using regional loan funding are administered by Sheffield City Council. All regional funding remains under the control of Sheffield City Council and quarterly reports on loan activity are provided to the Regional Housing group and Leeds City Region meetings. The regional loan fund is subject to the audit procedures implemented at Sheffield City Council.
- 5.4 All loans issued are registered as a legal charge at the Land Registry. This ensures that the Council is notified of any changes to the legal title which may require the loan to be repaid.

6. LEGAL APPRAISAL

- 6.1 The policy has been prepared in line with current legislation and government



guidance as set out below.

- 6.2 Section 111 of the Local Government Act 1972 provides that local authorities can do anything which is calculated to facilitate or which is conducive or incidental to the discharge of its functions.
- 6.3 Section 1 of the Localism Act 2011 provides a 'general power of competence' which includes a power to take steps for the benefit of the authority, its area or person's resident or present in its area.
- 6.4 The above powers provide for making arrangements with other local authorities to provide services on the Council's behalf. Thus in order to enable Sheffield City Council, as host authority for the regional Homes and Loans service, to administer finance for the loan schemes on Bradford's behalf the Council must authorise them to do so. These authorisations are already in place for the existing schemes but will need to be put in place for any new schemes as contemplated under the proposed amended Comprehensive Housing Renewal Policy (see appendix).
- 6.5 The Housing Act 1985 section 239 (The 1985 Act) amongst other things provides powers to local authorities to create Housing Action areas arising from the physical state of housing and social conditions and clearance and demolition orders in relation to unfit housing.
- 6.6 The Local Government and Housing Act 1989 (the 1989 Act) amongst other things provides a power to create a housing renewal policy.
- 6.7 The Housing Grants, Construction and Regeneration Act 1996 (the 1996 Act) amongst other things creates powers for the provision of disabled facilities grants.
- 6.8 The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 (RRO 2002) removed various financial burdens in relation to housing from local authorities and broadened the forms of financial assistance provided by a local authority to persons in the context of housing maintenance and improvements under the powers contained in the 1985, 1989 and 1996 Acts. To exercise the additional powers they must be included in a local authority approved and published policy i.e. in the Council's case this is its Comprehensive Housing Renewal policy.
- 6.9 Housing Act 2004 (licensing of houses in multiple occupation and powers to issue improvement and repairs notices).

7. OTHER IMPLICATIONS

7.1 EQUALITY & DIVERSITY

The additional tools that will be made available to the Council by amending the policy will enable the Council to help more people than at present.



7.2 SUSTAINABILITY IMPLICATIONS

One of the key principles of the Comprehensive Housing Renewal policy is to create a more sustainable housing stock for the district. The policy framework enables the Council to fulfil its existing commitments whilst also working to develop a better knowledge of the housing markets on a local and regional basis.

The Housing service will continue to work with neighbouring Local Authorities and other regional partners to gather information and develop initiatives to tackle local and regional problems. This will inform evolution of the policy for a more sustainable district.

Levering in private finance and providing advice, encouragement and support to individuals to enable them to help themselves shifts the perceived burden of responsibility for maintaining the district's housing stock onto homeowners. This will enable scarce public resources to be utilised more widely and be more sustainable.

7.3 GREENHOUSE GAS EMISSIONS IMPACTS

Any work done to a domestic property to remove excess cold as a hazard or to improve its energy efficiency is likely to have the effect of reducing the domestic carbon emissions of that property (in addition to reducing the household's heating bills). This will contribute to meeting the District's Greenhouse Gas Emissions targets.

7.4 COMMUNITY SAFETY IMPLICATIONS

One of the hazards assessed by officers using the Housing Health and Safety Rating system (HHSRS) relates to entry by intruders. Where the hazard of entry by intruders has been identified in a home where assistance to improve the property's condition is being offered measures to address that hazard will be included.

7.5 HUMAN RIGHTS ACT

No implications under the Human Rights Act have been identified.

7.6 TRADE UNION

No Trade Union implications have been identified.

7.7 WARD IMPLICATIONS

The Comprehensive Housing Renewal Policy enables assistance to be provided to



eligible residents throughout the district.

8. NOT FOR PUBLICATION DOCUMENTS

None.

9. OPTIONS

9.1 Option 1 – To extend the Comprehensive Housing Renewal Policy to enable Bradford to take advantage of new forms of assistance made available through regional and national funding

The Comprehensive Housing Renewal Policy already takes significant advantage of the new freedoms made possible under the Regulatory Reform Order. However the policy continues to evolve as new forms of assistance become available to help homeowners maintain their own homes.

A significant number of homeowners within the District are asset rich but income poor, the introduction of suitable loan products which will help these people to invest in their own homes will enable the Council to utilise the decreasing levels of public resources to help a larger number of homeowners with the same level of resources.

Funding is increasingly being made available to Authorities on a regional basis. It is imperative that Bradford actively participates in the development of programmes that take advantage of these regionally allocated resources to ensure that Bradford receives an appropriate share of the funding available.

Participation in the pilot loan and energy efficiency programmes on a regional and sub regional basis enables Bradford to benefit from the availability of alternative forms of assistance, thereby benefiting from efficiency savings, without having to bear all of the risks associated with the piloting of new initiatives.

This approach will have a long term sustainable future as the Council further develops the policy to lever in increasing levels of private finance and works with its partners to support, advise and encourage homeowners to exercise their responsibilities.

9.2 Option 2 – To continue to operate within the existing Comprehensive Housing Renewal Policy

The Comprehensive Housing Renewal policy takes advantage of some of the freedoms and flexibility introduced by the RRO 2002. The Council has worked hard with partners to develop and introduce suitable products to assist vulnerable homeowners to maintain their own homes. However some products have only just been developed and were not therefore available when the current policy was introduced.

With decreasing levels of financial support from Central Government it is important



that the Council takes advantage of new tools that become available, particularly when they offer an opportunity to lever in private finance to improve housing conditions within the District.

10. RECOMMENDATIONS

- 10.1 That the Executive approve Option 1 for implementation and the appropriate Strategic Directors be authorised to conclude appropriate contractual arrangements for this purpose.
- 10.2 That the Comprehensive Housing Renewal Policy set out in Appendix 1 be approved.
- 10.3 That the appropriate Strategic Director continue to make changes to the Comprehensive Housing Renewal Policy under delegated authority in consultation with the Portfolio Holder with responsibility for Housing.

11. APPENDICES

- 11.1 City of Bradford Metropolitan District Council Comprehensive Housing Renewal Policy.

12. BACKGROUND DOCUMENTS

- 12.1 BRE Integrated Dwelling Level Housing Stock Modelling Report 2015

