

AGENDA
ITEM NO.

Originator:
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REPORT OF: Helen Freeman - Chief Environmental Health Officer
REPORT TO: Director of Neighbourhoods and Housing
DATE: 30 September 2005

SUBJECT: PROGRESS REPORT ON THE IMPLEMENTATION OF THE
REGULATORY REFORM (HOUSING ASSISTANCE) ORDER
2002 - PRIVATE SECTOR RENEWAL POLICY

Electoral Wards Affected:

City-Wide

Specific Implications For:

Ethnic Minorities

Women

Disabled people

Executive Decision

Eligible for Call In

Not eligible for Call in

(details contained in the report)

1.00 PURPOSE OF THE REPORT

1.01 The Council adopted a revised private sector renewal policy, set out in a report approved by Executive Board on 09 July 2003, which introduced new ways of supporting private sector housing investment and regeneration.

1.02 This report provides an update on this policy and seeks agreement to enter into a formal contract with Sheffield City Council with regard to accessing further funding, for private sector housing improvement, from the Regional Housing Board.

2.00 BACKGROUND

2.01 The policy adopted in July 2003 incorporated the following key principles :

- To improve the condition and quality of private sector housing.
- To reduce the %age of non-decent homes occupied by vulnerable people within the private sector.
- To reduce the number of unfit houses, or those that will fail the new Housing Health and Safety Rating System.
- To support comprehensive regeneration programmes in priority areas.
- To support initiatives to deal with obsolete and long-term empty housing.
- To support the needs of areas with low community confidence.
- To support new regulatory proposals for the private rented sector.
- To encourage and support all private owners in taking responsibility for their own property.

3.00 LOCAL DEVELOPMENTS

3.01 The policy, approved at the Council's Executive Board on 09 July 2003, included a range of assistance based on specified levels of intervention and the principle that the extent of intervention would be up to a point where home owners were able to help themselves in addressing their housing problems. The assistance now available is shown in Table 1.

3.02 Loan Development

One of the key elements of the policy is the need to have in place a range of flexible loan / finance support packages which owners can access to undertake renovation works. As previous discussions with other partners had not come to fruition Officers have developed a package of support for vulnerable home owners. Owners with reasonable incomes or sufficient equity in their property are usually able to obtain commercial loans, given that they are provided with suitable advice and guidance. The problem arises with owners on low incomes with limited or no savings or equity, as there are currently few options open to them.

3.03 Home Improvement Assistance

Officers have developed the package of assistance to support Private Sector Renewal assistance to vulnerable home owners. This includes the principles of a staged intervention and the use of equity (if any) in the property to enable improvement to the decency standard. On offer, depending on need, is :

- A Property Appreciation Loan (HIA loan) repayable on the sale of the property.
- A top-up grant (should the person receiving the assistance still be unable to finance the work identified) such that this non-repayable grant provides the gap-funding between the amount able to be raised under personal loan arrangements(PAL and own/other finance) and the cost of necessary work.

3.04 After further discussions with Leeds City Credit Union (LCCU) the loan process was initiated without their involvement. However there remains a future potential for clients to be referred to LCCU for other financial advice.

4.00 REGIONAL DEVELOPMENTS

4.01 **The South and West Yorkshire Housing Officers Group (SWYHOG)** Following the introduction of the Regulatory Reform (Housing Assistance) Order 2002 (RRO), officers from South and West Yorkshire have been meeting regularly to discuss private sector housing policies and share best practice. One of the key areas of work has been around loan development to support low income home owners. A joint bid for funding to set up a similar service in South and West Yorkshire was approved by the Regional Housing Board (RHB) in late 2003.

4.02 Initial funding of £1.2 million as a single pot across the 9 authorities(now 17) was approved for 2004/5. This will be sufficient to fund :

- initial set-up and development costs;
- administration and support costs;
- a modest initial loan fund.

- 4.03 Subject to the successful operation of the scheme, it is envisaged that further funding will be made available. The RHB are unlikely to be able to provide sufficient funding to meet the anticipated demand and Authorities will need to provide matched funding streams. Taking into account the set up costs and an average loan of £7,000, this equates to 130 loans across the region.
- 4.04 The contractual RHB fund is to be administered by Sheffield City Council, and the details of the contracting arrangements between Sheffield City Council and the other participating authorities needs to be finalised. Sheffield Council is undertaking development work on the Home Appreciation Loan (HAL) and other associated development work is ongoing:
- Development of process and required staff training
 - Confirmation of client loan capability
 - Telephone and written advice to Local Authorities
 - Valuations of property
 - Calculation of loan amount
 - Provision of loan legal agreement and associated documentation
 - Telephone and written advice to client
 - Provision and payment of loan direct to contractor on completion of work
 - Management of total loan fund

It is envisaged that HALs will be available for launch in the very near future and that, subject to formal agreements, and availability of suitable applications, this Authority and the other participating authorities will be able to submit applications to Sheffield City Council.

- 4.05 As this Authority has set up its Home Improvement Assistance (HIA) in advance of the regional scheme applications are going through the local process. However, there are blocks of properties where the ALMOs are renovating some of their non-traditionally built homes through a group repair process. Home owners who have previously bought their council home and are in such blocks will need to be included in those schemes to enable the ALMO to make the whole block comply with the Decent Homes Standard. It is applications from vulnerable householders in these situations which could initially be put through the regional HAL scheme as these properties may need in the region of £20,000 spending on them.
- 4.06 The provision of HALs, is complementary to the procedure developed within this Authority (HIA loan) and allows access to extra RHB funding. It also includes the facility for service users to access professional financial advice.
- 4.07 Before the arrangements can be put in place, the Leeds City Council will need to enter into a formal agreement with Sheffield City Council giving them delegated authority to act on behalf of Leeds City Council in order to access funds from the Regional Housing Board. SWYHOG have subsequently drafted a standard agreement which member authorities are required to sign if Sheffield City Council are to administer Regional Housing Board Funding on behalf of Leeds City Council and to subsequently process loans under the terms of the scheme. We have consulted with legal services who are satisfied with the contents of the document.

5.00 RECOMMENDATIONS

- 5.01 It is recommended that the Director of Neighbourhoods & Housing grants approval for Leeds City Council to formally enter into the above mentioned agreement with Sheffield City Council.
- 5.02 To note the progress made in developing initiatives and procedures for loan assistance in accordance with the Regulatory Reform Order (Housing Assistance) 2002.

DATE REPORT PREPARED : 14 July 2005

DATE REPORT AMENDED : 12 September 2005

Table 1

POLICY / ASSISTANCE	CONDITION / EFFECT
INTERVENTION LEVEL 1	
Advice and information ✓ Available now	All enquirers will be offered advice and information, including sign-posting to assist them in resolving their property repair and maintenance problems and in helping them achieve the decency standard.
Private Renting and Tenancy Advice ✓ Available now	Available to landlords and tenants through Housing Advice and the Leeds Landlord Accreditation Scheme
Energy Efficiency Advice ✓ Available now	All enquirers for Home Improvement Assistance are offered advice through the Leeds Bradford and Hull Energy Efficiency Advice Centre (LBH EEAC). Access to a range of assistance is available including grants through Fuel savers (Warmfront and Warmfront +).
INTERVENTION LEVEL 2	
Home Inspection Service ✓ Available now <i>Vulnerable households</i>	To provide a home inspection service for 'safety net' cases to highlight works required to meet the fitness standard, the new health and safety rating scheme and / or the decency standard. Charges may be made where the inspection subsequently leads to a loan or grant.
Essential Works Loans / Grants ✓ Available now <i>Vulnerable households</i>	To provide assistance to help support 'safety net' cases, living in unfit housing or housing which fails the new health and safety rating scheme, as part of the city wide programme to obtain a loan or grant
Independent Financial Advice (IFA) ✓ Available via loan process <i>Vulnerable households</i>	Enquirers signposted to independent financial advisors.
Debt Counselling ✓ Available via the loan process <i>Vulnerable households</i>	Enquirers signposted to the Leeds City Credit Union.
Home Maintenance Service	To provide a home maintenance service with Care and Repair (Leeds) Ltd or other partners supported

<p>✓ Limited availability</p> <p><i>Client based programme</i></p>	by a small grants scheme.
<p>Relocation Loans / Grant</p> <p>✗ Not yet available</p> <p><i>Vulnerable households Priority area based programme</i></p>	<p>To provide a relocation loan / grant to :</p> <p>a) support disabled persons to move to a more suitable home to meet their needs, where this is the best option;</p> <p>b) support the acquisition of properties for improvement or redevelopment. Details still to be finalised.</p>
<p>Group Repair Schemes</p> <p>✓ Available now</p> <p><i>Priority area based programme</i></p>	<p>Standardised external works to blocks of properties in defined priority areas, to achieve uniformity and improved visual amenity as part of a comprehensive property improvement and regeneration scheme. Owners will be required to contribute not more than 25% of the cost subject to a test of resources.</p>
<p>Environmental Improvements and Face Lift Schemes</p> <p>✓ Available now</p> <p><i>Priority area based programme</i></p>	<p>Undertake environmental works with partners to street frontages, binyards or public areas to secure community confidence as part of a comprehensive regeneration scheme. Private owners will not be expected to contribute to the cost of this type of works.</p>
<p>Accreditation Loans / Grants for the private rented sector</p> <p>✓ Grants available now</p> <p>✗ Loans not available until loans process in place and administration / legal procedures agreed</p> <p><i>Priority area based programme</i></p>	<p>To be available <u>only to</u> accredited landlords in limited priority regeneration areas as part of a comprehensive improvements scheme to improve properties to the decency standard.</p>
<p>Empty Property Loan</p> <p>✗ Not yet available</p> <p><i>Priority area based programme</i></p>	<p>To provide an empty property loan to help bring back into use longstanding empty properties which are blighting the local neighbourhood. Details still to be finalised.</p>
<p>Disabled Facilities Grant</p> <p>✓ Available now</p> <p><i>Client based programme</i></p>	<p>Mandatory DFGs for registered disabled applicants supported by a referral from Social Services in support of necessary works of adaptations. Discretionary loan/grant for works over £25,000 subject to individual schemes considered on their merits.</p>
<p>Obsolete Housing Funds</p> <p>✓ Available now through specific local area schemes</p>	<p>Acquisition and demolition by negotiation or under CPO powers with appropriate funding available to meet capital value and compensation costs for home owners affected by the schemes.</p>

<i>Priority area based programme</i>	
<p>Former Right to Buy Assistance</p> <p>✓ Limited availability (where owners can arrange their own funding)</p> <p>✗ Loans for works not available until loans process in place via Yorkshire and Humberside Loans Service</p>	<p>Assistance to support improvements to the structure and exterior of former right-to-buy properties, as part of comprehensive area improvements being undertaken by the Council on its own properties.</p> <p>Using Council contractors, equity release and loan facilities where owners are unable to secure their own funding.</p>
<i>Priority area based programme</i>	