

PART A

Report to: Cabinet
Date of meeting: 5 March 2018
Report of: Energy and Renewal Surveyor
Title: Update to the Private Sector Housing Renewal Policy

1.0 Summary

- 1.1 This report is to seek the approval of an update to the Private Sector Housing Renewal Policy attached at Appendix A. The current policy was last updated in 2006 using the 2004 stock condition survey information.
- 1.2 The update seeks to confirm the priorities and principles of work that will be undertaken over the coming years. It is informed by the 2017 Stock Modelling and Health Impact Assessment (HIA) carried out by the Building Research Establishment (BRE). These models make use of the vast amount of data now accessible and more widely available, to give us a clear picture of the condition of the housing stock in Watford. These models have shaped and influenced the Private Sector Housing Renewal policy. It gives us a clear picture of the condition of the housing stock in Watford.
- 1.3 In summary, the principles of intervention remain largely unchanged but the new policy adds some clarity to the current priorities and the tools used to deliver it. The updated policy, and importantly the data used to inform it, give officers the structure, corporate governance and approvals needed; underpinned with the evidence from the BRE to support future project bids and the development of initiatives to achieve the Policy aims.
- 1.4 The Policy is not seeking additional resource in itself. It is believed that the current resourcing is sufficient to provide the reactive services and small scale match funding for projects as they emerge. There is no evidence that reactive services are not performing sufficiently and planned changes to the statutory licensing regime later this year will reinforce this and be self-funding. The performance relating to licensing, housing complaints, the Warmer Homes initiative and the Street Improvement Project in Cassio Road demonstrate this.
- 1.5 In terms of proactive and larger scale projects the proposal is that either through the annual service planning process or ad hoc as external opportunities arise, projects and bid for funds will be quickly assimilated to meet the Policy aim and priorities. This approach recognises the reality of how funding is now accessed and that we have the evidence of need, the proven track record of delivery, the links and

partnerships as well as the capability to operate in this way. For this reason the Policy does not contain an action plan. Actions/projects will be contained within service plans as has previously been the case.

- 1.6 The aim of this policy is to improve and maintain housing standards to support an accessible private sector housing stock in an environment which promotes health, wellbeing and sustainability; which is targeted to those most in need.
- 1.7 The basis for all assistance is to remove or reduce housing related defects that are detrimental to an occupant’s health, in terms of physical and mental wellbeing.
- 1.8 This policy supports the Councils vision in the Corporate Plan, contributing to its priorities; namely its number one priority to manage the borough’s housing needs as well as its priorities to champion smart growth and economic prosperity by helping homes to become more efficient, with cheaper bills and to provide for the boroughs vulnerable and disadvantaged communities. It forms part of the Councils Housing Strategy 2015-2020.

2.0 Risks

2.1 Nature of Risk	Consequence	Suggested Control Measures	Response <i>(Treat, tolerate, terminate, transfer)</i>	Risk Rating (the combination of severity and likelihood)
The general condition of the private housing stock decreases	Negative impact on the health of Watford residents. Negative perceptions of Watford and blighting of area. Inability to place homeless within private sector stock	Continue monitoring condition through BRE reports as planned through existing contract for next two years. Continue existing enforcement/enabling measures. Implement the impending extension to the statutory licensing regime for HMOs. Continue the development, implementation and proactive use of	Tolerate	4

		Residential Premises Module – the new case management system for monitoring private sector housing work in Environmental Health.		
Challenge to conditions attached to financial assistance	Reputational risk. Spending of limited funds on people/schemes that are not a priority. Failure to recoup funds after completion of the scheme.	Conditions and definitions are well tested and match the “vulnerable” definitions commonly used. No legal challenge to previous policy.	Tolerate	2
Failure to have the capacity, evidence, governance arrangements to access external funding for projects.	Inability to influence and improve through targeting the housing stock and health impacts.	Approved Policy setting the principles. Approval of new schemes via PFH within the scope of the Policy. Maintain data and database of work and outcomes to provide evidence. Maintain relationships, links and participation in local and national groups and initiatives.	Tolerate	4

3.0 Recommendations

- 3.1 To approve the new policy for publication and implementation from 1st April 2018. Note that the changes to the Policy do not apply retrospectively to any applicants currently progressing through the grant/loan process.
- 3.2 To approve the delegation to the Head of Community and Environmental Services

decisions in relation to changes in government policy and definitions. This enables the policy to stay aligned with any changes to the Affordable Warmth group, Housing Benefit and Watford's Council Tax Reduction Scheme definitions, subject to these changes still delivering the principles and aims of the policy. To be clear this delegation does not allow for changes in provision/services.

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Report approved by: Ayaz Maqsood, Head of Housing

4.0 Detailed proposal

4.1 This Policy sets out how Watford Borough Council will seek to improve housing standards within the borough. In general terms this includes:

- Works to remove of category 1 hazards as identified under the [Health & Hazard Safety Rating System](#) to create safer homes and safer housing environments.
- Enabling and encouraging access to home interventions (social prescribing and the linking and referring to voluntary and charitable services).
- Improving to achieve affordable and warm homes (safe, warm housing)
- Improving suitability and accessibility (including regular repairs, adaptations and support to handyperson services)
- Housing Support (enabling people to continue to live independently in their home).

4.2 The policy enables the delivery of 4 key aims:

1. Improve the health and wellbeing of the borough's residents through housing improvement; with a focus on those most in need (vulnerable households)
2. To improve the Energy Efficiency to the Boroughs housing
3. Continuation of the enforcement of housing standards in the Private Rented Sector
4. Continued provision of Disabled Facilities Grants (and a supported service to deliver them)

4.3 To achieve the most outcomes the council will continue to:

- Encourage homeowners and landlords to maintain and invest in their own property, thus protecting their asset (and its value) in the longer term.
- Target and recycle limited public funds at the most vulnerable households living in the worst housing conditions by providing a framework of

support based on enforcement and interest free loans.

- Utilise partnership working to lever in further funds for improvement works to increase project capabilities and improve service delivery. For example ECO monies, health monies and/or other grant funding.
- Continue to collect and use evidence, data and intelligence about the borough to target funding and enforcement, including information to inform the equalities agenda and the equalities impact assessment for this policy.
- Address small works at an early stage to prevent deterioration of properties in the future and to improve home safety and health.
- Proactively approaching priority households to assess the need for enforcement or services. For example by doing pro-active work in areas with high numbers of poor quality rented accommodation.
- Proactively targeting properties, areas and owners where accommodation presents the highest risk to health and safety of occupants and the most negative impact on local communities. For example area or ward action, rented properties, HMOs, etc.
- Focus resources on tackling issues of corporate importance and move to a targeted approach based on annual plans contained within the Environmental Health & Licensing Service Plan and Housing Service policies.
- Although some place must be given to a reactive service, we aim for 70% of resources to be allocated as a result of proactive prioritisation, planned visits and programs.

Housing conditions according to BRE modelling

- 4.4 This policy update has been informed by the 2017 Stock Modelling and Health Impact Assessment (HIA) carried out by the Building Research Establishment (BRE). These models give the council a far more accurate and detailed assessment of housing in the borough than has previously been available. In conjunction with this modelling, information has been taken from our own data sources (for example council benefit recipient records) as well as incorporating updates and influences of current legislation.
- 4.5 A summary of the BRE modelling is included in Appendices B and C of this report.
- 4.6 Over the last 10 years there has been significant growth in Watford's population and dwelling numbers, as well as the proportion of homes within the rented sector. Modelling shows that Watford has 39,157 dwellings. Of these 56% are owner occupied, 28% private rented and 16% are social rented.

- 4.7 The rented sector has a higher proportion of fuel poverty and lower income households as well as having an increased element of disrepair in these properties. These issues can be worse within the Houses in Multiple Occupation (HMO's), which represent 4% of the housing stock in Watford.

Housing and health

- 4.8 There is evidence which shows the strong link between poor housing and poor physical and mental health. The government's white paper "[Choosing Health](#)" states that the key to success in health inequalities will be effective local partnerships led by Council's and the NHS working to a common purpose. Housing is a key determinant of health, and poor housing conditions continue to cause preventable deaths and contribute to health inequalities.
- 4.9 In order to inform the effect of housing hazards and intervention strategies the Council also commissioned BRE to undertake a Health Impact Assessment. Headlines include:
- There are estimated to be 6,670 category 1 hazards within the private sector stock and 2,326 are within the private rented sector.
 - The estimated cost of mitigating all the hazards is £11.6 million with £4.4 million in the private rented sector.
 - If the hazards are mitigated the annual savings to society are £10 million, including £1.1 million to the NHS. £3.6 million of these savings are generated from the private rented sector.
- 4.10 BRE state: "The return on investment when all hazards are mitigated may seem rather limited and modest. However, this report considers a number of different scenarios where the mitigation of different hazards and mitigation costs are further investigated to identify more compelling scenarios. For example, mitigating all damp and mould hazards in the owner occupied stock would cost approximately £299,448. The least costly half of all these hazards could be mitigated by investing around £19,845 per year for 5 years. The return on investment, or payback period, when costs to society are considered is 4 years; therefore, 4 years after the repairs are carried out, the savings to society will be greater than the mitigation costs. For falls associated with baths, all hazards in the owner occupied sector could be mitigated for £171,877. This would save the NHS £59,920 per year thus giving a payback period of less than 3 years."
- This detail of how to achieve results and the principles of targeting both in relation to "people" and "areas/type of properties" are translated into the policy. The data and ability to show pay back and cost benefits are critical for the bidding for funding necessary to support activities.
- 4.11 **The recommendations from the BRE as a result of their study of Watford are:**
- Services to assist owner occupiers in relation to falls and excess cold should be provided;

- The use of a handy persons service or Home Improvement Agency are important in enabling services;
- Increasing professionals knowledge of landlord responsibilities, hazards and referral pathways is important to mitigating hazards for all and especially for children;
- An active enforcement strategy is necessary;
- Landlord accreditation can help to educate landlords; and,
- Targeting work to reduce falls for the over 60s will bring great benefits.

- 4.12 All of these recommendations are represented and addressed within the Policy and proposed services with the exception of the landlord accreditation scheme. At present it is not thought to be a high priority to progress accreditation given the high demand for housing within the area. Education of landlords is however a priority and so landlord engagement and training are included. Further details are shown in Appendix C.
- 4.13 With limited resources the policy seeks to enable added value and greater impact by making use of external and other sources of funding in conjunction with exploiting the opportunities to work with our partners. The Council already has an excellent track record in this area such as using Energy Company Obligation money and government grants and initiatives to improve housing conditions in Watford.

Examples of a project based approach

- 4.14 The last 10 years have seen 6 projects delivering around £6.5 million of capital work to externally insulate houses in project areas such as Boundary Way and the Harebreaks estate (where incidence of fuel poverty is higher than some other areas of the borough). The majority of the funding (£6.5m) was sourced externally with WBC contributions making up around £0.5 million. Over 700 properties (both private and LA) have been improved through such schemes creating fuel bill savings to residents of £183,000 and 775 tonnes of CO2 annually.
- 4.15 The Street Improvement project in Cassio Road; where £22,500 of capital funding from the council levered in £62,500 from public health and £20,000 from the Police and Crime Commissioner and various other support from private and public/charity organisations as well as business and landlord contributions to works. This resulted in 100% of rented properties being inspected and 100% of category 1 hazards being removed.
- 4.16 The current Herts Warmer Homes project that Watford has led on developing across Hertfordshire has levered in over £0.5 million spend in Herts to reduce the risks of excessive cold in homes with WBC contributing £12,000.
- 4.17 The policy seeks to maximise the number of people it helps by enabling targeted, project

based approaches for some of the assistance. Alongside this project based approach, other individual grants and loans will be for our most vulnerable residents, with applications for assistance via a referral from a housing or health based professional.

4.18 The policy includes the influences and themes that came from the internal and external (public) consultation that took place via surveys. 177 responses were received with a summary of the findings detailed within the policy document.

4.19 As well as making substantial savings to the NHS and to society, this policy has the potential to improve economic prosperity and also reduce the demands for services provided by the Council.

4.20 **The Principles that are being applied in the development of tools and interventions are:**

- **Responsibility:**

The owner is responsible for repair and maintenance and needs to make provision for this. This policy will aim to enable residents to improve their housing through enabling, facilitation and encouragement.

- **Prevention:**

The Council will provide advice, information and facilitation to sustain the housing stock and help owners' prioritize their investment in repairs and improvement. Pro-active work will be used to meet this principle.

- **Targeting:**

By targeting to those clients, areas, properties, sectors and themes most in need the policy works to make use of more effective re-sourcing. Pro-active work will be used to concentrate on particular needs and opportunities (for example where external funding is available or a health priority has been identified).

The policy will be delivered by:

- A Project Based Approach – to make use of scale of economies and best use of resources. Projects also encourage and lend themselves to additionality achieved through external funding.
- Working with individuals most in need due to their vulnerabilities. This is to provide a very specific targeted approach through professional referrals and be tailored to individual needs. This is a move away from a reactive service based on set criteria.

- **Partnership:**

The Council will continue to work with partners; to develop and make use of partnership working to optimize resource and bring added value to projects. Partners may be internal departments within the council or external partners (such as Watford Community Housing Trust or

Public Health as examples).

- **Fairness, transparency, consistency and accessibility:**
Council policy and action will aim to be fair, transparent, consistent and accessible.
- **Linkage with strategic aims and objectives:**
Private Sector Housing renewal work aims to reflect national, regional and local priorities and policies; including those detailed within this policy.
- **Wider community benefit:**
The work undertaken aims to impact on the wider community where possible, having a broader impact. Examples may be where aesthetic housing improvements help to improve wellbeing or where energy efficiency measures reduce fuel bills; helping to increase resident prosperity and reduce poverty.
- **Choice:**
The Council aims to provide choices and create incentives for private sector owners, landlords and occupiers to encourage responsibility and self-empowerment.
- **Prudent use of Council resources (including the recycling of money, cost recovery and income generation for services):**
 - Encouraging homeowners to use own resources first.
 - Provide targeted loans to release equity where vulnerable households are in poor and unhealthy homes.
 - Grant aid will be targeted at vulnerable and low income groups and/or those identified within project areas or criteria.
 - Recycling assistance through charges on property (or works in default where enforcement is used).
 - Charging for enforcement action where the legislation allows.
 - Charging fees to help keep discretionary services within this policy sustainable
 - Covering the cost of HMO licensing through ensuring that the fees charged are at a cost recovery level.
 - Development of assisted housing application policy and resource (for example charging fees for aiding an HMO license application).

4.21 **Enforcement**

In relation to enforcement; we continue to operate within our service standards of responding to all complaints/enquiries within 3 days and visiting all homes that may have hazards (319 initial enquiries in the last 12 months). In addition we continue to monitor and process HMO licences; currently 114 which compares well to the BRE estimate of 120. All enforcement is undertaken within the controls of the Environmental Health and Licensing Compliance Policy adopted by the Council. The Council have a proven track record of tackling landlords who do not comply with several successful prosecutions including a custodial sentence.

4.22 We have considered the planned introduction of further mandatory licensing for all HMOs with five or more residents nationally later this year. This will be self funding and when further details are confirmed a plan for implementation will be produced. The plan will not require any reduction in core services or growth bid. Given that Watford previously had a Registration scheme for all HMOs we think properties and landlords in Watford will be in a good position in comparison to other areas to comply with requirements. This is not to say that there are not properties that require improvements, officers are however confident in the processes, competency and capacity to respond. One area that is a focus is to promote and increase understanding of the legal requirements and services/powers of the council in relation to housing standards to other professionals. This will increase referrals and help to safeguard vulnerable residents. Work is also underway to promote services to those residents who may be less likely to approach authority for assistance.

4.23 The Portfolio Holder has approved the use of civil penalties for low level housing offences and these are incorporated within the Compliance Policy. The Service plan for the Environmental Health and Licensing (EH&L) team includes plans to develop the use of any national database of rogue landlords and banning order that may also be introduced this year. This year a case management system for residential premises functions in EH&L has been implemented and will go fully live on 1.4.18. This will allow for full work flow monitoring and reporting; including outcomes in relation to hazards and cost savings. This will enable very effective reporting and monitoring of performance.

4.24 Assistance is to be delivered through the following summary:

Assistance	Qualification	Finance Offer	For
Safer Homes Grant	<ul style="list-style-type: none"> Referral by a health or housing professional (not open to general resident applications) Be eligible to qualify under the governments vulnerable definition as indicated by the affordable warmth group with the addition of Housing Benefit and Watford's Council tax reduction OR in exceptional circumstances for consideration of the grants panel and whereby a loan is not appropriate (and the applicant is deemed as vulnerable or susceptible to a health condition and there 	Up to £1,000 Grant	<ul style="list-style-type: none"> Removal of HHSRS Hazards Prevention of Category 1 HHSRS Hazards Work that leads to the enabling of HHSRS hazard mitigation Housing defect rectification that alleviates an individual's state of physical, mental and social well-being As an incentive tool to encourage take up of other assistance such as a Safer Homes Loan or to engage vulnerable residents to work with other external

	is a housing related defect that that could lead to a class 1 or 2 harm outcome due to age or infirmity as defined under HHSRS guidance		agencies and services
Safer Homes Loan	<ul style="list-style-type: none"> • Referral by a health or housing professional (not open to general open applications) • Be part of the governments vulnerable definition as indicated by the affordable warmth group with the addition of Housing Benefit and Watford's Council tax reduction 	Up to £10,000 loan	<ul style="list-style-type: none"> • Removal of HHSRS Hazards • Prevention of Category 1 HHSRS hazards • Work that leads to the enabling of HHSRS hazard mitigation • Housing defect rectification that alleviates an individual's state of physical, mental and social well-being
Project Loan or grant	<p>Determined by the scope of the project; (prior set and published) limited to housing related defects or improvements and include the following:</p> <ul style="list-style-type: none"> • Geographically set dependent upon the project target outcomes • Have consideration to and have set criteria around an appropriate level of the applicant or tenants income • Be match funded supplementary to other sources of funding • Only be available within the private housing sector 	Up to £5,000 Loan or grant	<ul style="list-style-type: none"> • To top up or provide supplementary funding where other sources of funding have been used first • To enable property improvements where the housing condition is detrimental to the occupants health and wellbeing
Trusted Advice	All Residents	Advice	Help with trusted builder schemes and housing advice / support with applications. General advice on building works

4.25 Fees and charges

The principle within this policy is to charge cost recovery fees on Safer Homes Loans (where the resident has an interest free loan recoverable at point of sale of the property) and Project Grants or Loans (which may be provided to the 'able to pay' sector) where appropriate.

4.26 Safer Homes Grants are considered too small in nature and unreasonable for vulnerable clients to have the additional burden to fund. The Safer Homes Loan or Project Loan/Grant would incorporate fees which are added to the cost of the loan and put as a charge on the property. The fee, for administration and assessment of the loan, which is a non-statutory service, is repayable in the same terms as the loan itself and remains interest free.

4.27 In relation to charges for licensing and enforcement, these are already detailed in the approved Fees and Charges. These include charges for services of formal notices and we will always seek full cost recovery on prosecutions – although these are very infrequent and will very likely be less in the future now we have the ability to issue civil penalties. In addition to charges for statutory services, we also now offer consultancy and advice services for property owners on a commercial basis. This could include providing design advice and schedules of work for upgrading of HMOs that maximize their use.

4.28 Fees will be subject to changes via the delegated authority function of this policy in accordance with council policy and procedure on fees and charges. The current fee proposal from the operational date of the policy (1st April 2018) is set at 10% of the net figure or at a fixed rate of £375 (whichever is the cheaper).

4.29 **Review and performance**

In terms of performance against the Policy, all projects will have agreed objectives and outcomes that will be monitored and measured through the Service plan. Routine work will be monitored through the new case management system and an annual update brought to portfolio holders on performance. The stock condition will be updated annually through the BRE contract in place to ensure we remain focused on the priority issues and can revise the Policy if necessary. It is planned to develop performance indicators for the next financial year.

Implications

5.0 **Financial**

5.1 The Shared Director of Finance comments that;

5.2 There are no additional financial commitments for the council through approval to the update of this existing policy.

5.3 Financial expenditure in the form of the assistance given through the policy is to be met from the existing assigned capital budget (WAJ 300 X2029).

5.4 It is noted that within the Private Sector Renewal Policy Update discretionary financial assistance is only offered subject to the availability of funding and that assistance may therefore be put on hold or withdrawn at any time.

6.0 **Legal Issues** (Monitoring Officer)

6.1 The Head of Democracy and Governance comments that under the Housing Act 2004 the Council is legally obliged to keep under review its policy and the condition of the housing stock in its area

7.0 **Equalities/Human Rights**

7.1 An Equality Impact Analysis has been carried out in regard to the council's obligations under s149, which has considered Equalities/Human Rights issues.

7.2 The findings of the EIA show that the policy is non-discriminatory in its nature being open to all vulnerable residents and those considered 'able to pay'. The Council does not expect the presence of any protected characteristics to influence the actions of any officers in their implementation of the policy. There are a number of positive impacts; seeking referrals from all sectors of the community through a move to health professional based referrals, inclusivity in a geographical area for project based work and enhanced support to live safely and independently for those accessing Disabled Facilities Grants through the newly formed Herts Home Improvement Agency. One potential negative impact has been identified with associated mitigation; that underrepresented minority groups could still potentially be excluded from the assistance offered. This is mitigated by the referrals moving to a health professional based referral approach and by promotion and training with health professionals and community groups so they are aware of the assistance offered and that professionals make referrals from all sectors of the community.

7.3 Overall it will have a positive impact, by supporting all sectors of the community to improve and maintain housing conditions in the area.

7.4 The Human Rights Act 1998 which gives effect to the human rights set out in the European Convention on Human Rights has been considered with particular regard to Article 8, the right to respect for private life, family life and the home and Article 14, prohibition of discrimination. Essentially, the policy does not seek to interfere with these rights and freedoms but instead to support and assist in the improvement and

maintenance of housing in the area and thereby promoting health and wellbeing of our communities.

8.0 **Staffing**

8.1 There are no additional staffing requirements required to implement and deliver this policy.

9.0 **Accommodation**

9.1 There are no additional accommodation requirements required to implement and deliver this policy.

10.0 **Community Safety/Crime and Disorder**

10.1 There are no crime and disorder implications through the approval of this policy.

11.0 **Sustainability**

11.1 The policy principles and priorities are designed to both financially and environmentally achieve sustainability of the policy objectives and outcomes.

Appendices

Appendix A – Private Sector Renewal Policy 2018

Appendix B – Summary of BRE Stock Modelling Report for Watford

Appendix C – Summary of BRE Health Impact Assessment for Watford

Appendix D - Equality impact assessment for the PSR Policy

Background Papers

- Various background papers, reports and information were used to develop and support the Private Sector Renewal Policy update. These are listed throughout the policy with hyperlinks and also listed on the last page of the policy document.

File Reference

E:\Functions\Housing\PSR Policy update 2018