

Private Sector Housing Regeneration Policy – Aylesbury Vale

1. Introduction

- 1.1 The purpose of this policy document is to assist officers of the Council with the interpretation and implementation of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002, Housing Act 2004 and Housing Grants, Construction and Regeneration Act 1996 so far as it relates to the improvement of private sector housing stock in Aylesbury Vale.

2. The Policy in Context

- 2.1 National, regional and local policies and objectives provide AVDC and its partners with a broad strategic framework to work within. The key policies and objectives that have informed the draft of this policy are detailed below:

2.2 Laying the Foundations: A Housing Strategy for England 2011

This document provides a clear directive from Government on its approach and priorities on housing policy focusing on the development of a thriving, active and stable housing market that supports choice, flexibility and affordable housing. The strategy outlines the link between housing and economic growth as well as health and well-being and states that the private rented sector is continuing to grow in both size and importance. The Government supports growth and investment in the private sector housing market and considers this key to increased choice, access and better standards in the sector. Alongside this it also supports tough enforcement against rogue landlords who do not provide adequate housing for their tenants.

2.3 The Private Rented Sector – CLG Select Committee Report 2013

This Select Committee report states that it is important that the private rented sector is seen as an attractive alternative to owner occupation and recommends a number of measures to support the growth and development of the private rented sector including:

- Simplify regulation – the provision of a more straightforward regulatory framework for the sector
- Raise standards – provide Councils with the flexibility required to enforce the law and raise standards particularly with regard to the licensing of landlords
- Regulate agencies – develop new regulation to deal with abuses by letting agents
- Longer tenancies – ensure that the market offers longer tenancies to those that need them, particularly families
- Increase supply – across all housing tenure types.

2.4 Welfare Reform Act 2012

The Act sets out a number of fundamental reforms to welfare provision which will impact on some households living in the private rented sector (see AVDC Housing and Homelessness Strategy 2014-17)

2.5 Localism Act 2011

This Act enables Local Authorities to discharge their homelessness duty through an offer of accommodation in the private rented sector (see AVDC Housing and Homelessness Strategy 2014-17)

2.5 The Energy Act 2011

The Energy Act introduced the Green Deal scheme. It also places an obligation on energy companies to help the poorest and most vulnerable households with saving energy. A range of energy efficiency measures are also introduced by the Act including smart meters, energy performance certificates and clearer energy bills (see Buckinghamshire County Fuel Poverty Strategy which aims to enable residents in Buckinghamshire to achieve affordable warmth). Aylesbury Vale District Council work with the National Energy Foundation (NEF) to provide an affordable warmth service for residents in the Vale.

2.6 The Housing Act 2004

The Housing Act introduced powers to improve the management of the private rented sector through licensing, the return to use of long-term empty homes and to improve the health and safety of occupants in dwellings. Measures include:

The Housing Health & Safety Rating Scheme (HHSRS)

The HHSRS is a risk rating tool used to assess the potential risks to the health and safety of occupants, potential occupants and visitors to a residential property. The system assesses 29 prescribed hazards within a property which are scored as either Category 1 (serious) hazards or Category 2 (less serious) hazards. Where a Category 1 hazard is identified in a property the Council has a legal duty to take action. The Council has discretion to take action on Category 2 hazards where appropriate to do so.

Licensing of Houses in Multiple Occupation (HMOs)

The licensing of HMOs aims to raise standards in some of the highest risk residential properties where tenants are often most vulnerable. The two schemes in operation in Aylesbury Vale are:

- Mandatory licensing scheme – there is a national mandatory licensing scheme for some types of HMO.
- Additional licensing Scheme – in 2015 an additional HMO licensing scheme was introduced in Aylesbury Vale which means that all houses in multiple occupation with 3 or more occupants require a licence. The scheme aims to improve standards across the private rented sector in the Vale and to ensure a supply of good quality affordable housing in this tenure type.

Empty Homes

This enables the Council to bring privately owned properties that have been empty long-term back into use via enforcement measures such as Compulsory Purchase, Empty Dwelling Management Orders and Improvement Notices.

2.7 Housing Grants, Construction and Regeneration Act 1996

This Act provides for grants from local housing authorities to be made towards the cost of works required for the provision of facilities by disabled people.

2.8 Regulatory Reform (Housing Assistance) England and Wales Order 2002

The Order provides powers to Local Authorities to provide assistance to any person in their area for the purposes of acquiring living accommodation and adapting repairing or improving living accommodation.

3. Local Context

The Private Sector Housing Regeneration Policy sits within a corporate framework and below the Housing and Homelessness Strategy. It contributes towards meeting the objectives outlined within the strategy predominantly by maximising the use of private sector housing.

Corporate objectives	AVDC Housing and Homelessness Strategy 2014-17 objectives	Private Sector Housing Regeneration Policy objectives
To secure the economic, social and environmental wellbeing of the Vale.	Maximise the supply of affordable housing Prevent and reduce homelessness Maximise the use of private sector homes Respond to the challenges of welfare reforms	Improve the quality of the private housing stock in the Vale Positively impact the health and wellbeing of those living in non-decent private dwellings Enable disabled people to live independent, healthy lives for longer Reduce the number of long term empty properties in the Vale Actively tackle rogue landlords

4. Housing Profile

4.1 Private sector housing stock includes houses in private ownership and occupation as well as privately rented properties. The private housing sector plays a valuable

role in the housing market in the Vale with the majority of properties in owner occupation. Generally housing conditions in the Vale compare favourably to the national picture.

- 4.2 Aylesbury Vale, along with the rest of Buckinghamshire, has an aging population. At the last census in 2011 68,000 people in Buckinghamshire reported having a limiting long term illness or disability (an increase of 12.4% from the previous census). The number of people with long term health conditions is likely to continue to increase with the aging population in Buckinghamshire (Director of Public Health for Buckinghamshire Annual Report 2012/13). There is a significant link between housing quality and health. Factors such as damp and mould, overcrowding and excess cold are associated with long term conditions such as heart disease, stroke, respiratory disease and mental illness as well as an increased risk of mortality. People living in poor quality housing are more likely to suffer with poor health than those people living in good quality housing. Overcrowded households can encourage the spread of certain medical conditions, such as tuberculosis. Households without central, or other adequate heating, can suffer from damp and mould growth, which can lead to respiratory problems. Poorly heated households can suffer from excess cold, which in turn can increase the likelihood of premature mortality ('a ward level analysis of the housing and health profiles of Aylesbury Vale', Feb 2015).
- 4.3 Periodically the Council carries out a stock condition survey of private sector housing stock. The last Private Sector Housing Condition Survey was carried out in 2007 and at this time private sector housing stock in the Vale numbered 61,500 dwellings (the total number of dwellings in the Vale as of 31/03/2015 was 77,000).
- 4.4 Of these 16.8% (10,355 dwellings) did not meet satisfactory of 'decent' standards (Category 1 HHSRS hazards, failure to be in reasonable repair, failure to provide reasonable modern amenities, failure to provide effective insulation and/or efficient heating all are considered to be indicators of non-decent housing). Although this figure is well below the national average (37.5%) there remains a need to improve standards in this area
- 4.5 The Survey indicated that poor housing conditions in the Vale are associated with households in social and economic disadvantage. This affects the ability of households to repair and improve their dwellings. At the time of the Survey 25.6% of all households living in non-decent housing were elderly. Economically vulnerable households accounted for 33.8% of all households living in non-decent housing. In the private rented sector 39% of vulnerable households were living in non-decent housing.
- 4.6 At the time of the Survey 6,317 (10.9%) private sector households were living in fuel poverty (the equivalent national average at the time was 11.1%). However rates were above average in some areas of the Vale, particularly in the private rented sector (14.4%) and for inter-war housing (21.2%).

5. Housing Assistance

5.1 Housing Grants, Construction and Regeneration Act 1996

This Act places a mandatory duty on the Local Housing Authority to provide grants to be made towards the cost of works required for the provision of facilities for disabled people. Disabled Facilities Grants (DFGs) are provided to adapt a home environment to restore or enable independent living for individuals with a disability. The maximum amount of grant funding that can be awarded under a mandatory DFG is currently £30,000.

5.2 Regulatory Reform (Housing Assistance) England and Wales Order 2002

The Order provides powers to Local Authorities to provide assistance for housing renewal to any person in their area for the purposes of acquiring living accommodation and adapting repairing or improving living accommodation.

In order to use these powers the Local Authority must adopt and publish a policy setting out how the powers will be used. The Housing and Homelessness Strategy 2014-17 and the Private Sector Housing Regeneration Policy fulfil this obligation. The Order contains important protections relating to the giving of assistance, whether it is given as a grant, loan or another form of help. It requires that:

- authorities set out in writing the terms and conditions under which assistance is being given; and
- before giving any assistance the authority must be satisfied that the person has received appropriate advice or information about the extent and nature of any obligation (financial or otherwise) that they will be taking on; and
- before making a loan, or requiring repayment of a loan or grant, the authority must have regard to the person's ability to afford to make a contribution or repayment.

The discretionary spending powers within the Regulatory Reform Order 2002 can be used alongside the mandatory DFG framework to top up mandatory grants or to facilitate solutions that enable flexibility, quality and choice for the applicant to meet their specific needs.

5.3 Policy Priorities: Target groups

Information from sources such as the Private Sector House Condition Survey 2007 and Public Health Buckinghamshire provide an evidence base for targeting housing assistance to particular groups within the community in Aylesbury Vale:

- Older people - older people are more likely to live in substandard and poorly heated homes, and can be vulnerable to home accidents including slips, trips and falls.
- Disabled people – discretionary housing assistance can provide a package of additional assistance measures outside of the mandatory DFG system which allows more flexibility based on the disabled persons needs
- Vulnerable groups – those on low incomes may not be able to carry out essential repairs to their properties resulting in impacts on their health and wellbeing The

HHSRS can be used to risk rate hazards in dwellings to determine where repairs are required to improve health outcomes.

- Landlords – housing assistance for landlords can be provided to help kick start improvements in standards in privately rented properties, benefitting vulnerable individuals and families.

5.4 Working in Partnership

AVDC currently operate a Staying Put service which assists DFG grant applicants with the spend of the grant by coordinating building works and assisting with the sourcing of contractors to carry out works. This is an optional service that a grant applicant can choose to take from AVDC. A fee of 15% of the total grant is charged for the Staying Put service. The benefit of this service is that applicants who may otherwise have struggled to organise works benefit from timely adaptations made to their properties. The uptake of the Staying Put service in AVDC is high with 68% of grant applicants taking up the service in 2013/14 generating an income of £48,000 towards the cost of providing the service during this period.

Staying Put Officers also administer Flexible Home Improvement Loans and Minor Works Grants, providing financial advice and assistance to applicants.

AVDC jointly fund the National Energy Foundation to provide advice and assistance to residents in the Vale on energy efficiency measures and schemes available to residents, including those in fuel poverty. AVDC promote this through our website and via Officers who come into contact with residents in need of assistance in these areas.

AVDC are members of the Buckinghamshire Joint Housing Adaptations Group which brings together the District Councils, County Council (including adult and children services) and representatives from the Registered providers who operate in the Vale including VAHT.

6. Types of assistance currently offered

Currently the following forms of housing assistance are available to private owners and tenants within the Vale:

Tool	Key Outcome	Eligibility criteria	Conditions	Max £/case	Annual budget	Proposal
Minor repairs grant	Minor but essential repairs to make non-decent properties safer for occupants	Owner occupier in receipt of means tested state benefit, Aged 60+ or Under 60 with 1+ child under 10 years.	Interest free, land charge repayable if property sold within 5 years	£2500, Not more than £5000 in any 5 year period	£30,000	Discontinued and replaced by Essential Repairs Grant
Mandatory Disabled Facilities Grant (DFG)	Adaptations to enable independent living	Referral via County Council Social Services, Means tested contribution towards costs (adults only), Works must be necessary and appropriate to meet needs of disabled person, Works must be reasonable to age/condition of dwelling.	Part repayable within 10 years on sale of property (in some cases)	£30,000	£741,000 (£417K from Better Care Fund at BCC, £324K AVDC capital funding.	Retain alongside new additional discretionary grants
Empty Homes Loan	To facilitate the return of long-term empty homes to the housing market	Homeowner or person wishing to purchase an empty property, Property empty over 2 years, Owner can live in or let property.	Loan secured against property, Interest charged at 2% over base rate (capped at 7%, collared at 3.5%), Loan with interest repayable within 5 years or when the property is sold (if sooner)	£30,000	£240,000 (shared loan scheme pot with FHIL)	Retain

Flexible Home Improvement Loan (FHIL)	To help make the home safer, warmer or healthier during retirement	Aged 60+, Homeowner	Loan secured against property, Interest charged at The Bank of England base rate with a 'cap' and a 'collar' i.e. lowest interest rate is 3.5% and highest 7% , Loan repayable if home is sold or owners cease to occupy it (if sooner)	£30,000 (in majority of cases)		retain
---------------------------------------	--	---------------------	--	--------------------------------	--	--------

7. Additional housing assistance measures proposed

These housing assistance grants and loans will remain in place other than the Minor Repairs Grant which shall be replaced with Essential repairs Grants as detailed below. To enable flexibility and the targeting of resources where they can be most effective there are a number of additional assistance proposals AVDC should consider adopting. These are detailed as follows:

Tool	Key Outcome	Eligibility criteria	Conditions (see appendix 1 for benefits eligibility information)	Max £/case	Annual budget
Essential Repairs Grant	Essential repairs to make a non-decent home safe, warm and watertight for vulnerable occupiers	Owner occupier in receipt of means tested state benefit Must have owned property for minimum of 2 years Category 1 HHSRS hazard or multiple Category 2 hazards identified that pose a risk to health	Interest free, land charge placed on property equivalent to level of assistance provided	£10,000, Not more than £10,000 in any 5 year period	£80,000 (2016/17)
Landlord Loan Scheme	To provide incentives for landlords to improve standards for tenants in privately rented property. Works to include fire protection, energy efficiency measures and works to address HHSRS category 1 and 2 hazards	Must be a landlord and the own property Property must be tenanted and let, or available to let, for a period of 5 years from the date of the loan	Repaid if the Council carries out works in default or prosecutes the landlord within 5 years from the date of the loan Loan secured against the property. Loan with interest repayable within 5 years or when the property is sold (if sooner)	£10,000 Not more than £10,000 in any 10 year period	£100,000 (2016/17)

Discretionary DFG top-up	Top-up to mandatory DFG where cost of work exceeds maximum grant	<p>Must be eligible for a mandatory DFG</p> <p>Where applicant is a child one parent must be in receipt of a means tested benefit.</p>	<p>Cost/benefit analysis of options available including relocation to a more suitable property</p> <p>Interest free, land charge placed on property equivalent to level of assistance provided, repayment, repayable within 10 years (in some cases) or when the property is sold (if sooner)</p>	£20,000	£691,000 (2016/17 budgets TBC)
Relocation Grant	Financial assistance for disabled people towards the costs of relocation to a more suitable home	<p>Must be eligible for a mandatory DFG</p> <p>OT report that new home is suitable to meet needs of disabled person</p> <p>Council must deem rehousing as most suitable and cost-effective option</p>	<p>Interest free, land charge placed on property equivalent to level of assistance provided, repayment, repayable within 10 years (in some cases) or when the property is sold (if sooner)</p>	£30,000	
Hospital Discharge Urgent Adaptations Grant	Financial assistance to carry out urgent adaptations to a home to facilitate hospital discharge	<p>Owner occupier or private tenant in receipt of means tested state benefit. Where applicant is a child one parent must be in receipt of a means tested benefit.</p> <p>Must be in hospital at time of referral and awaiting discharge</p>	<p>Property must be occupied on a permanent basis by applicant</p>	£10,000	

		Referral from hospital OT advising of needs			
--	--	--	--	--	--

Note: Appendix 2: provides more detail on the purpose, eligibility criteria and conditions of the above grants and loans. This information is an illustrative guide only and may be subject to change following legal consultation and prior to the production of procedural document for the individual grants and loans.

8. Financial resources

8.1 Mandatory DFGs for occupiers other than those in VAHT properties (and some other Registered Providers) are currently jointly funded via the Better Care Fund budget at Buckinghamshire County Council and from AVDC Capital budgets. The statutory duty to deliver adaptations rests with the District Council with finance allocation determined by the County Council year on year (until 2014/15 funding was allocated for DFGs by DCLG). As part of the stock transfer agreement between AVDC and the VAHT, VAHT pledged to take on responsibility for the provision and financial resources required to deliver adaptations in their housing stock. VAHT are required to meet the cost of up to £400,000 worth of disabled adaptations within their properties per annum up to 2036.

8.2 The maximum amount of mandatory DFG grant that can be provided was increased from £25,000 to £30,000 in May 2008 and has not increased since. As a result mandatory DFG funding levels have not kept pace with inflation and the increasing costs of building works. This means that the scope of works that fall within the mandatory £30,000 DFG limit has decreased over time with a number of adaptations each year costing well over this amount. At the moment the cost of any works over the mandatory DFG limit has to be covered by the applicant through additional lending (if they are able to obtain this) and occasionally via charity funding.

8.3 In recent years AVDC has struggled to spend the funding allocation available for DFGs, ending 2014/15 with £125,000 of underspend. This has been a trend year on year. In previous years where VAHT have had a waiting list for adaptations AVDC have provided additional payment allocation. It is worth noting that VAHT provide an annual allocation as per the Stock Transfer Agreement that equates to around £50 per VAHT dwelling to provide disabled adaptations in comparison to the £11 per dwelling that AVDC have available to provide adaptations in non-VAHT properties (note: some other Registered Providers also contribute towards the cost of adaptation works in their properties though not to the same scale).

Year	Underspend	Additional allocation to VAHT
2011/12	£89,100	
2012/13	£182,800	£85,600
2013/14	nil	£93,900
2014/15	£125,000	

8.4 This year on year underspend is not because of reduced demand, in fact there is a growing need within the community associated with an aging population and an increase in the number of people living with long-term health conditions. This is reflected within the recent Better Care Fund policy statement which indicates that the national allocation for DFGs is set to double in 2016/17 (although details of local authority allocations are yet to be announced).

- 8.5 In recent years the underspend at AVDC has been a result of historical delays in the referral system from Adult Social Services at the County Council. In 2014/15 additional resources were brought in by BCC to address this and it has now been largely resolved. . The underspend can also be attributed to a lack of flexibility within the current system to adequately meet the range of needs and scope of works required within the private housing stock. Work is also currently underway to review DFG provision and services across Buckinghamshire with a view to improving the end-to-end service for the client to speed up the referral, application and approval process.
- 8.6 Looking at current and projected spend for 2015/16 it is anticipated that at the end of the financial period there will be capital funds remaining to the value of £100,000. In future years it is imperative that AVDC have flexibility and discretion within the grants process to facilitate budget spend and ensure that vulnerable tenants in private sector housing are able to access support.
- 8.7 The introduction of additional discretionary grants alongside the mandatory DFG will increase the range of grant options available and allow AVDC to better tailor grant support to meet individual needs. It is proposed that mandatory DFG funds and AVDC capital funds allocated for DFG spend are maintained in one budget stream, funding mandatory DFGs, Discretionary DFG top-up, Relocation Grants and Hospital Discharge Urgent Adaptation Grants.
- 8.8 In addition it is proposed that the historical £100,000 capital fund underspend is used to establish a landlords loan scheme. The Council already work with a Flexible Home Improvement Loans company (FHIL) who were set up in 2007 initially with a loan from Central Government. FHIL is a not-for-profit company 100% owned and controlled by its 17 local authority members, of which AVDC is one. Since the scheme started, loan repayments (regular direct debits, irregular payments and redemptions) have continued to increase and in the last financial year £968,289 was repaid, bringing the total repayment up to £2.8 million which has been recycled as further loans. By the end of the 2014/2015 financial year the total Flexible Home Improvement Loan offers made had topped £10 million. FHIL have advised that they already have a rented property loan scheme established which could be adapted to meet AVDC requirements. Any funds allocated to establish a Landlords Loan scheme would be ring fenced for this purpose in the Vale.
- 8.9 The funding level previously allocated to Minor Works Grants was £2500. This level of grant was set in 2004 and has not been reviewed since this date. As a result it is common for officers to award two Minor Repairs Grants at the same time (2 can be awarded within a 5 year period) in order to fund the cost of necessary works. Given inflationary increases and increases in costs within the building trade this level of grant funding is insufficient to fund most work schemes.
- 8.10 In order to provide a reasonable level of funding for the new Essential Repairs Grants it is proposed that in addition to the £30,000 budget previously allocated to Minor Repairs Works, £50,000 of the capital funding allocated to DFGs is reassigned to Essential Repairs Grants, increasing the total grant funding available

to £80,000. The level of demand and funding allocation for Essential Repairs Grants will be reviewed towards the end of the 2016/17 period to determine whether this is an effective use of funding and is benefiting those living in private sector housing in poor repair.

8.11 The provision of the range of grants and loans specified above will continue to benefit disabled people, the elderly and vulnerable households on low incomes, thus meeting the objectives within this policy.

9. Administration

9.1 Publicity

Information on private sector housing grant and loan assistance is provided via our website including information on how to apply for a grant or loan. Once adopted the website will be updated to reflect our new offering. Information provided will include:

- the process to be used to apply for assistance, including any preliminary enquiry system;
- how persons can obtain access to the process of applying for assistance;
- details of conditions that will apply to the provision of assistance, how conditions will be enforced and in what circumstances they may be waived;
- advice that is available, including financial advice, to assist persons wishing to enquire about, and apply for, assistance;

9.2 Implementation

If approved the grants and loans specified within this policy would be implemented in the 2015/16 period following legal consultation and the draft of procedural documents.

9.3 Monitoring and review

Spend against budget allocation is monitored on a monthly basis. There will be a need to review the implementation of all new grants and loans in terms of effectiveness, uptake and spend. However particular regard will need to be given to the Essential Repairs Grant and Landlord Loan Scheme within the first year of implementation in order to consider and determine appropriate funding levels for the following year in relation to demand and outcomes.

Lindsey Hone
21st January 2016.