

## **PRIVATE SECTOR HOUSING RENEWAL STRATEGY 2004/5**

The following strategy was agreed by Islington Council's Executive Committee on 13<sup>th</sup> March 2003 and subsequently amended following Director's approval for changes. The grants information sheets form part of this strategy, these give detail of what grants are available.

### **Introduction**

- 1.1. Islington has some of the best and some of the worst private sector housing in the country. Poor housing has a detrimental effect on the health of occupants. In Islington a disproportionate number of elderly and black and ethnic minority residents live in poor privately owned homes.
- 1.2. Improving privately owned property, where it is in poor condition, is important for the regeneration and environmental sustainability of the borough. As a general rule owners are responsible for maintaining their property; however not all owners can afford to do so. Dwellings in poor condition can affect the health and safety of occupiers, including tenants, and can affect the street environment. If the Council does not assist, in some cases occupiers may have to move into Council housing or out of the borough away from their support networks. The majority of owner-occupiers needing assistance are elderly or disabled.
- 1.3. Private landlords provide a range of rented accommodation, often to those who cannot afford to buy a home in Islington. Housing conditions are poorer in the private rented sector than in any other sector in the borough. As stated in the GLA's Housing Strategy Statement, enforcement alone is unlikely to have much effect on small landlords without assistance and advice.

## **2. Aims and Objectives**

- 2.1. The aim of this Private Sector Renewal Strategy is to assist home owners and enable residents to live in well maintained, safe warm and suitable housing.
- 2.2. The objectives are to:
  - 2.2.1. Provide assistance to make unfit dwellings fit, including making fit HMOs which are unfit for the number of occupants and, as far as possible bring them to the Decent Homes Standard.
  - 2.2.2. Bring empty properties into use as residential accommodation, where possible housing homeless people.
  - 2.2.3. Provide energy efficiency measures to fight fuel poverty, reduce excess deaths from cold and reduce CO2 emissions.
  - 2.2.4. Improve security to homes and prevent burglaries and reduce fear of crime.
- 2.3. **Scope**
- 2.4. Owner-occupiers (both freeholders and leaseholders), private landlords and tenants may apply for assistance under this strategy.

- 2.5. Tenants are not eligible for grants as they are not responsible for carrying our repairs. However Safe and Warm Grants are available to private tenants, subject to the landlord's approval.
- 2.6. Mobile homes or houseboats will not be eligible for assistance.
- 2.7. Mandatory Disabled Facilities Grants are not included in this strategy as they continue to be prescribed by the Housing Grants Construction and Regeneration Act 1996. Discretionary DFGs will not be available under this policy, as the £25,00 limit on mandatory grants should be sufficient for the provision of adaptations at any one time. Other alternatives will need to be considered if this amount is exceeded.

### **3. The Regulatory Reform (Housing Assistance) Order 2002**

- 3.1. The Regulatory Reform (Housing Assistance) Order 2002 came into force on 18<sup>th</sup> July 2002. It gives greater freedom to local authorities to enable improvements to privately owned dwellings, where owners need financial assistance. For many years Islington Council has given grants to owner-occupiers and landlords to repair dwellings in poor condition or to improve houses in multiple occupation (HMOs) which do not meet the legal standards.
- 3.2. The legislation enables Councils to give grants for repair, improvement and adaptation or enable improvement through demolition and reconstruction or through the purchase of alternative accommodation. The Council must agree a Private Sector Renewal Policy stating how it intends to provide assistance, before it can implement the Regulatory Reform Order. This document will form that Policy.

### **4. The Strategic Context**

- 4.1. The Council's four key priorities are all relevant to this policy, as follows:
  - 4.1.1. Environmental Sustainability is addressed through arresting deterioration of the housing stock and through energy efficiency measures.
  - 4.1.2. Regeneration is achieved by improving the external condition of dwellings and by providing grants for security measures to be installed to prevent burglaries. In Finsbury Park SRB area grants are available for flats over shops, where shopfronts are being replaced.
  - 4.1.3. With regard to Customer Focus, information is provided in Plain English, with service standards specified. Procedures for providing assistance are kept as simple as possible and are explained in publicity materials. Owner-occupiers who apply for assistance will have the facility to be helped through the process by an Agent, appointed by the Council. This Agent is able to act on their behalf to apply for a grant and/or loan, organise and supervise the works and arrange for payments.
  - 4.1.4. Performance Management is promoted by all Officers involved in providing services, doing so under the terms of the Council's Performance Appraisal System. A Best Value Review of the Service is proposed for 2004/5.

- 4.2. The Islington Strategic Partnership (ISP) addresses a wide range of regeneration issues, including housing, health and crime, ultimately aiming to improve the quality of life for those living in, working in or visiting Islington. It consists of a number of intersectorial groups co-ordinating projects and allocating Neighbourhood Renewal Fund money. Many of the poorest housing and environmental problems are on Council owned housing estates, where 3,036 (10.1%) dwellings are unfit. These problems also exist in the private rented sector where 1,609 (11.7%) dwellings are unfit and in owner-occupied dwellings, where 1323 (4.2%) dwellings are unfit (according to the Islington Private Sector House Condition Survey 2003).
- 4.3. Poor private sector housing is found “pepper-potted” throughout the borough, although it is more concentrated in the north than the south; therefore there is no area or street in Islington, which is suitable for area renewal. In any case the ISP favours the allocation of resources throughout the borough rather than targeting particular areas. However there is still a focus for assistance in the Finsbury Park SRB Area, where we are working with Haringey and Hackney Councils to regenerate private sector housing.
- 4.4. The Council’s Housing Strategy aims to develop an effective private rented sector to ensure that poor conditions are tackled and investment accessed. It also aims to increase the provision of affordable and intermediate housing and reduce and prevent homelessness. This Renewal Strategy involves assistance to improve poor housing conditions, prevent homelessness and to provide and maintain intermediate housing for key workers and, in the case of empty properties, to provide affordable housing for homeless people. The Council’s Private Sector Housing Strategy is being updated; this policy and the Empty Property Strategy will form part of it.
- 4.5. Improvement of poor housing conditions will improve the health of occupiers and, in some cases can prevent hospitalisation and speed up discharge from hospital. Occupiers may have to move from their home if the conditions are very poor and no assistance is available; they will either have to move out of the borough or apply to the Council for re-housing. The former may mean moving away from support networks, which would have to be replaced by Social Services. The latter would place a long-term duty on the Council to find suitable housing for priority homeless people.
- 4.6. The Council has a legal duty to inspect its area for housing which is unfit for human habitation and has a statutory duty to deal with the unfit housing that it finds. It also has a duty to ensure fire safety in some HMOs.

## **5. The Provision of Grants and Assistance**

5.1. Grants and assistance with loans will be targeted to:

- unfit owner-occupied dwellings
- owner-occupied dwellings likely to become unfit
- HMOs lacking adequate fire precautions.
- empty properties in poor condition.

- provision of energy efficiency measures
- Provision of security measures.
  - 5.2. For owner-occupiers, assistance will be targeted to those in need and who are elderly, in receipt of benefit or have a disability.
  - 5.3. In private sector housing, the Government aims to increase in the number of homes meeting the Decent Homes Standard that are occupied by vulnerable people. Where assistance is given for renovation of an owner-occupied or empty property, this standard is to be met on completion of works. DHS assessments will also be carried out on all homes where Safe and Warm Grants are to be given and action taken when feasible to bring the homes occupied by vulnerable people to the DHS.
  - 5.4. Grant assistance for landlords is a high priority, as the private rented sector plays an increasingly important role in housing people in Islington, due to the high cost of buying a home. Many landlords provide good quality rented accommodation, however the standards in private rented housing are poorer than in any other sector in Islington and poorer than in the country as a whole. The Council's Environmental Health Service works, where possible, in partnership with landlords to improve sub-standard rented dwellings, where necessary enforcement action is taken. Enforcement action can result in landlords evicting the tenants instead of carrying out the necessary repairs. The availability of a grant can make the difference between retaining decent accommodation (which is usually in an HMO and therefore affordable housing and occupied by key workers, students) and losing it to owner-occupation. In many cases the necessary improvements such as fire safety works do not lead to an increase in rental value, but are needed to ensure safe and decent accommodation to the minimum legal standard.
  - 5.5. In 2004/5 it is expected that a new law will have enacted the replacement of the fitness standard by the Housing Health and Safety Rating System and will have enacted the mandatory Licencing of HMOs. This policy will be reviewed to account for the HHSRS. It is anticipated that the on-going improvement of HMOs with grant aid will enable HMOs to be incorporated into the Licencing system without further improvement works.

## 6. **Partners**

- 6.1. SPH Care and Repair are our appointed Agents and provide an important role acting as agent for owner-occupiers who are over sixty or disabled. They will also assist people, in need of an equity release loan for renovation of their home, through the Houseproud Scheme (see below). They also publicise the availability of grants jointly with Islington and Camden Councils, as their area covers both boroughs.
- 6.2. The Home Improvement Trust runs the Houseproud Scheme providing equity release loans for owner-occupiers.
- 6.3. Neighbouring Councils have met to ensure our policies for assistance are similar, Haringey and Hackney, because of the joint working in Finsbury Park and Camden because of the similarity of the two boroughs and the joint use of SPH Care and Repair.

- 6.4. RSLs have a role in providing leasing schemes for owners of empty properties to house homeless people. We will be searching for opportunities to involve RSLs in bringing private sector housing into use as social housing: e.g. by assisting with the relocation of occupiers in return for sale to an RSL. However the high value of street properties in Islington means that this rarely shows value for money, so is not viable in most cases.
- 6.5. The Safe and Warm Scheme is being jointly run with the NorthEast London Energy Advice Centre, who have appointed the Greater London Energy Efficiency Network to run the scheme.

## **7. The consultation process**

- 7.1. In December 2002 a consultation paper and questionnaire on this policy was sent out to 4,500 people. This group comprised all those who have enquired about grants since 1998, one thousand occupiers of private sector housing, empty property owners and voluntary organisations, including groups for BME Communities, People with Disabilities and Older People. It was also posted on the Council's website. An Open Day was held on 17<sup>th</sup> January 2003, jointly with LB Camden, when approximately 100 people attended. A Landlord Focus Group was held on 27<sup>th</sup> November 2002 and the Landlords Forum on 6<sup>th</sup> February 2003 involved a lively discussion on this subject. The policy has been discussed with Council Officers and Partners.
- 7.2. All comments made were recorded and have been considered in formulating this policy.A

## **8. Resources**

- 8.1. The Council is intending to allocate £1.91m for private sector renewal in 2004/5.; this compares with the £70m needed to make all unfit private sector housing in the borough fit (Islington Private Sector House Condition Survey 2003). Many of these properties, especially those that are owner-occupied, will be made fit without assistance from the Council. For the remaining stock, the Council needs to maximise private investment, by using these funds to lever in equity release loans and spending by owner-occupiers and private landlords for major renovation work.
- 8.2. Smaller grants need to be targeted to those most in need and to prevent deterioration of dwellings causing a need for greater spend in the future. The Safe and Warm Scheme has been awarded funding of £10,000 for 2004/5 from the Metropolitan Police for publicity and administration of these smaller grants.

## **9. Options for Renewal**

- 9.1. Where a dwelling is in poor condition and the owner cannot afford to carry out building works the Reform Order gives Councils powers to assist with the following:
  - Repair
  - Adaptation or improvement
  - Demolition and reconstruction
  - Purchase of alternative accommodation

- 9.2. Considering the resources available, grants will be available for repair of unfit owner-occupied housing and improvement of HMOs, which are not fit for the number of occupants (i.e. do not have adequate fire safety or kitchen or bathroom facilities). Where owner-occupiers need extensive renovation works, small grants will be given to lever equity release loans whenever possible.
- 9.3. Grants will also be available for making empty properties fit, for provision of security and energy efficiency measures and for repair to make homes, wind and weather tight and safe. Details of all grants are in the attached information sheets.
- 9.4. Adaptations will be provided through Disabled Facility Grants.
- 9.5. Demolition and reconstruction is almost always more expensive than repair and the purchase of alternative accommodation within the borough would not be possible with the limited budget available. However in some cases owners may be able to sell their property and buy a smaller dwelling or move outside the borough without grant aid.
- 9.6. The Council provides advice to property owners generally on repair and maintenance, so as to avoid deterioration of the housing stock. This is done in Islington in the following ways:
  - Handyperson scheme available through SPH Care and Repair for all owner-occupiers who are over sixty or disabled.
  - Availability of lists of builders, architects and surveyors on request from the Council.
  - Landlords Forum as a means of informing and educating landlords about their responsibilities and the opportunity of landlords networking with each other, including through the Small Landlords Association.
  - The Environmental Health Service working with landlords and through enforcement when necessary, to repair property in poor condition. This occurs following complaints from tenants, as part of the HMO improvement programme and when landlords contact us directly for advice, or are applying for Planning Permission for an HMO.
  - Regulation through Planning and Building Control when dwellings are converted in to flats or are renovated.

## **10. Equity Release and the Houseproud Scheme**

- 10.1. An important part of this Renewal Strategy will be our membership of the Houseproud Equity Release Scheme. Equity Release is a means of using the debt-free equity value of owner-occupied homes to finance repairs, improvements and adaptations, with the loan usually repayable on sale of the home. The Houseproud Scheme was set up in 2002 by a consortium of London Boroughs with the Home Improvement Trust to make a range of loans available, some of which do not involve monthly repayments. It works in conjunction with SPH Care and Repair, who help elderly and disabled people to obtain equity release loans to fund repairs to owner-occupied housing. Those on income related benefits and tax credits would be eligible for a grant of up to £20,000 to lever in the loan and ensure the dwelling meets the Decent Homes Standard. The maximum grant has been increased from £10,000 because the take up of the grant/loan package for renovation has been slow.

(Details of these grants are in the Renovation Grants information sheet).

- 10.2. The Houseproud Scheme is available to owner-occupiers (including leaseholders and those with Council leaseholds) who are over 60, disabled people or the household has a disabled person in it. People on income related benefits or tax credits will only be able to take up an equity release loan if there are no monthly repayments, or if the Benefits Agency agrees to pay monthly capital repayments.
- 10.3. Many owner-occupiers on low income, living in poor conditions will not be able to obtain a Houseproud loan, so further research is proposed to ascertain whether equity release loans can be made available to these home owners, which includes leaseholders with Council freeholds.

### 11. Exceptions to the policy

Applications for grant aid which are not included in this policy, or where a larger grant is needed, will be considered, where funds are available, under the criteria in the attached paper.

### 12. Performance Targets

Reference		2004/5	2005/6	2006/7	Lead
BVPI 62	Percentage of unfit dwellings made fit for human habitation, as a proportion of the total number of private sector unfit dwellings.	3.3%	3.4%	3.6%	Sara Emanuel - Public Protection
BVPI 64	Number of empty private sector dwelling brought into use.	125	125	125	Irna van der Palen (Private Sector Housing Co-ordinator).
Local PI	Number of HMOs improved to the minimum legal standard.	60	50	50	Sara Emanuel - Public Protection

### 13. Publicity of the strategy

- 13.1. This strategy was publicised in two local newspapers in May 2003 and is posted on the Council's website.
- 13.2. The grants available are promoted through regular talks to voluntary groups and media publicity at every opportunity. They will be publicised in the Council newsletter for residents in Spring 2004 and the information sheets are displayed in Council buildings.
- 13.3. The Houseproud Scheme was successfully launched in February 2004 and further publicity achieved following the completion of the first Houseproud renovation in April 2004.

#### **14. Review of policy and performance**

- 14.1. This policy will be reviewed at least once a year, in light of the budget available. Modifications may also be required if the budget for grants is projected to overspend or underspend due to high or low demand for grants.
- 14.2. Performance will be monitored by reviewing spend against the budget every month and other targets quarterly. A customer survey form will be sent out on completion of each case and results will be monitored quarterly. Quarterly meetings are also held with SPH Care and Repair to review their performance.

#### **Attached Documents**

Grants Information Sheets:

- Home Repairs Grants
- Renovation Grants
- Grants for Landlords
- Empty Property Grants

Exceptions to the grants policy.