

EXETER CITY COUNCIL

**SCRUTINY COMMITTEE - COMMUNITY
9 NOVEMBER 2010**

**EXECUTIVE
23 NOVEMBER 2010**

PRIVATE SECTOR HOUSING POLICY – ANNUAL REVIEW

1. PURPOSE OF THE REPORT

- 1.1 This report proposes specific changes to the Private Sector Housing Renewal Policy in order to address local needs, as identified in the on-going private sector house condition survey.

2. BACKGROUND

- 2.1 One of the Council's priority objectives is to safeguard and improve the private sector housing stock in Exeter, which is made up of around 42 000 dwellings in the owner-occupied and privately rented sectors. At nearly twice the national average, Exeter has a large private rented sector (18% of the private stock) and large number of houses in multiple occupation (HMOs). The number of HMOs is estimated at 2760 or 5.2% of the private stock, noticeably higher than the national average of 2%. It is in the private rented sector, particularly HMOs, where the poorest housing conditions are found.
- 2.2 Under the Housing Act 2004, the Council also has a legal duty to remove or reduce Category 1 Hazards (e.g. excess cold, severe dampness, and overcrowding) from dwellings in its area, and a discretion to deal with Category 2 Hazards. It has a range of enforcement tools to deal with poor and dangerous conditions in homes. These tools are detailed in the Private Sector Housing Renewal Policy for 2010-11
- 2.3 In addition to enforcement, the Council currently offers financial assistance in the form of a combination of means-tested low interest loans and grants to assist and encourage home-owners to improve their properties and remove hazards. This financial assistance helps home-owners repair and adapt private sector houses, funds energy efficiency measures and supports ExtraLet and private sector leasing by means of private sector renewal grants.
- 2.4 The allocation of budgets for each of the various forms of financial assistance tools were set out in a previous report to Scrutiny-Community on 1 June 2010 and approved by Executive on 15 June 2010 (Minute 61(1) refers).
- 2.5 The Private Sector Housing Renewal Policy (the Policy) also sets out 9 key priorities and actions needed to improve the standards of privately owned properties in the City. These are detailed in Section 5 of the Policy (Appendix I).

3. PROPOSED CHANGES TO THE RENEWAL POLICY

- 3.1 The Private Sector Housing Renewal Policy details the forms of financial assistance that will be made available to householders for 2010-11.

- 3.2 There are no changes proposed in respect of any of the mandatory Disabled Facilities Grants detailed in the policy as no legislative changes have taken place. All discretionary grants such as Renovation Grants and Home Repair Assistance Grants have largely been replaced by Home Improvement Loans delivered through the Council's partner Wessex Reinvestment Trust; loans now represent the primary financial assistance tool. Discretionary grants have been retained for exceptional circumstances and remain an essential component of the Policy as in some cases loans are not an option.
- 3.3 In order to improve the take up of loans Wessex Home Improvement Loans have made changes to two of the existing loan products by reducing the eligible age for their interest only loan to 60, previously 66, and the interest rollup loan to 66 from 71. They have also introduced a fourth loan type - an interest free loan, which will be made available as a last resort to householders who are adjudged, by Wessex Home Improvement Loans, to be unable to afford full repayments on a capital repayment loan and do not qualify for an interest only or interest rollup loans. It is proposed that these loans should be made part of the financial assistance tools available under the Policy.
- 3.4 The Housing Act 2004 introduced provision for the mandatory licensing of larger HMOs but also introduced 'additional licensing', giving local authorities the discretion to licence HMOs falling outside the scope of mandatory licensing. Initially additional licensing could only be introduced with the approval of the Secretary of State. Earlier this year the need to get the authority from the Secretary of State was removed giving the decision making to the local authority.
- 3.5 As indicated earlier in this report Exeter has a very large number of HMOs, many of which are concentrated in the known student areas surrounding Exeter University. Given the large numbers of HMOs, public concern about perceived anti-social behaviour associated with HMOs and the imbalance of the housing market in the areas of HMO saturation, it is proposed that the feasibility of introducing additional licensing is explored, and a report brought to Community – Scrutiny in the New Year for consideration.
- 3.6 The level of fees for both HMO licensing and for enforcement action have been reviewed and the proposed revised fees will be contained in the Council's list of fees and charges for approval later this year.

4. FINANCIAL IMPLICATIONS

- 4.1 The amended policy will be funded from the 2010-11 budget allocation. The financial implications of the changes will be closely monitored and the information used to inform the next review of the policy.

5. PRIVATE SECTOR HOUSING STRATEGY

- 5.1 Following the mock inspection of the Council's approach to strategic housing carried out by the Housing Quality Network (HQN) and reported in February 2010, it was identified that there was a need to strengthen the strategic links between private sector housing and the rest of housing services, and a need for the strategic overview for both parts to be better understood below senior management level. In order to help address these points, it would be beneficial for the Private Sector Housing Policy to be more closely aligned and developed alongside the Housing Strategy, sitting as a sub-strategy to the latter.

5.2 This sub-strategy would set the strategic direction over the medium to long term of 5 years, and incorporate policy amendments as appropriate in response to such factors as information on house conditions from our annual Exeter house condition survey, changes in available funding, new legislation and Government policy.

6. RECOMMENDED that

- 1) Scrutiny Committee - Community supports and Executive agrees to adopt the changes to the Private Sector Housing Renewal Policy outlined in this report;
- 2) in future, the Private Sector Housing Strategy will be incorporated as a sub-strategy of the Council's overall Housing Strategy, with amendments made as appropriate in order to address local needs and changing government policy.

HEAD OF ENVIRONMENTAL HEALTH SERVICES

S:LP/Committee/1110SCC2
22.10.10

COMMUNITY & ENVIRONMENT DIRECTORATE

**Local Government (Access to Information) Act 1985 (as amended)
Background papers used in compiling this report:**