

28<sup>TH</sup> November 2013**REPORT OF THE PORTFOLIO HOLDER FOR PUBLIC HOUSING AND  
VULNERABLE PEOPLE****IMPROVEMENT WORKS TO PRIVATE SECTOR HOUSING****EXEMPT INFORMATION**

None confidential

**PURPOSE****It is recommended that Members:**

To approve the utilisation of existing Council resources to undertake works in default and provide loans to remedy urgent repair issues in private sector homes

**RECOMMENDATIONS**

Approve the proposal to release the £130,000 held in the 'Coalfields' Capital Contingency Funds and utilise them to carry out works in default and provide loans to remedy urgent repair issues in private sector homes in line with the Council's existing Enforcement Policy and Financial Assistance Policy.

**EXECUTIVE SUMMARY**

The withdrawal of government grant assistance to both the Local Authority and individual residents over recent years has meant some home owners are unable to carry out emergency repairs on their homes. Where owner occupiers do not qualify for a loan from other sources, such as a bank, they are left with no option but to live in poor and sometimes dangerous conditions. In these circumstances officers often have no option but to serve a prohibition order on their homes. The Council has a duty to house anyone whose home is subject to a prohibition order. An increasing number of cases are arising where owner occupiers are unable to undertake works to their homes and as a result the Council is forced to provide a range of support including re-housing.

By providing loans the Council is able to ensure vulnerable owner occupiers will be able to continue living in their home safely and therefore reduce the need for the Council to provide alternative support. This also contributes to the preservation of the private sector housing stock and reductions in the need to re-house occupiers in the social sector where prohibition orders have been made.

The utilisation of Coalfields resources to carry out works in default and provide loans to remedy urgent issues will enable the Council to deliver value for money solutions by ensuring cases are concluded quickly and successfully for all parties concerned. Enquiries received from residents over the last two years plus enforcement activity that has resulted in works in default needing to be undertaken suggest the potential number of cases that would need to be considered for assistance will be in the range of 30 – 40 per annum.

In accordance with policy the Council would make available additional support where there is an urgent need and the resident is unable to finance the works themselves. Loans would be secured against the property.

In its enforcement role the Council investigates reports of poor repair conditions in private rented properties. Where there is a requirement for enforcement action to be undertaken the landlord will be required to undertake the works. There are occasions where landlords either fail to undertake the works or it is not possible to quickly identify or contact the landlord concerned. In these cases if the risk is severe this can lead to the Council issuing a prohibition order on the property. This leads to the Council having a direct responsibility to re-house the tenants. The use of Works in Default enables the Council to undertake the necessary repair to make the property safe and recharge the landlord for the cost. In many circumstances this provides a value for money solution as the Council is therefore not obliged to provide alternative support to the tenants.

## **RESOURCE IMPLICATIONS**

The Council secured funding for private sector housing renewal following involvement with a sub-regional research project that explored the implications for housing following the demise of the coal mining industry. These funds were provided with restrictions to ensure they were utilised to facilitate housing projects that would bring about housing renewal and regeneration locally and have since been used to provide Capital funding for such schemes.

Cabinet has previously agreed the use of coalfields funding to support work on bringing empty homes back into use. These current proposals would deploy Coalfields resources held in a contingency fund to enable works in default to be undertaken and to provide loans to remedy urgent repair issues. A total of £130,000 is available within the contingency fund to be used for these purposes. Resources received by the Council resulting from re-payment of loans will be added to the General Capital Reserve and be available for future use in line with identified priorities.

In addition to this money, Tamworth Borough Council has just over £92,600 invested in equity loans in six properties in Tamworth as a result of the regional Kickstart scheme to assist vulnerable homeowners for loans for disrepair. However, this scheme closed in 2012. The money is repayable to Tamworth Borough Council upon death or transfer of the property and is secured by a charge. It is envisaged should any money be returned to the Council from any loans being repaid will be added to the General Capital Reserve and be available for future use in line with identified priorities.

The provision of loans will be made in line with the Council's Financial Assistance

Policy. Any necessary changes resulting from provision of loans that become apparent will be incorporated within the planned review of the Financial Assistance Policy.

Given that the resources available will be limited, loans will be utilised in circumstances that both offer the best value for money outcome for the Council and where the health and safety of residents is compromised if urgent repairs are not undertaken in good time. Where enforcement powers are used for the improvement of homes charges will be applied for the time and other costs of taking that action.

Given competing priorities for the allocation of funds in the future, it will be necessary to explore options for future funding of this activity given demand for assistance is likely to grow as the housing stock in Tamworth gets older. Exploration of options for the future will include the potential to use Homelessness Prevention Grant to fund works where appropriate.

The proposed use of these funds is consistent with the intended use of these resources for housing renewal purposes.

Additionally, the use of these resources as outlined above may result in savings to the Council as a consequence of no longer requiring the additional work generated for Council staff to advise and explore alternative housing options to re-house those residents affected. A reduction in hospital admissions or the need for medical assistance arising from poor housing conditions may also reduce pressures on health services and assist in conserving resources.

#### **LEGAL/RISK IMPLICATIONS BACKGROUND**

Approval of the proposed use of Coalfields funding for housing repairs will further empower officers in tackling poor housing conditions within the Borough and meet the duties imposed on the Council by legislation. The utilisation of these funds to enable the full use of the powers provided by legislation will also ensure that the health and safety of occupants can be further protected.

The provision of loans for emergency repairs may reduce the need for officers to use prohibition orders that consequently create a homeless household and an empty property.

Non-compliant, absent and poor landlords may suffer greater financial loss when they disregard their duty to carry out repairs on their properties and risk the health and safety of their tenants.

Should the Council not utilise the available resources for the above purposes, there is a risk that the Council will contravene its legislative responsibilities and be exposed to greater risk of legal challenge with all the negative publicity and drain on resources that would entail

#### **SUSTAINABILITY IMPLICATIONS**

Making resources available for works in default and the provision of Emergency Repair Loans will assist in maintaining the housing stock in the Borough and in some instance enhance the quality of the environment and neighbourhoods.

Additionally, funding and undertaking housing improvement works will contribute to improved health, educational and economic outcomes for local residents and towards the delivery of key priorities identified by the Tamworth Strategic Partnership and adopted by Tamworth Borough Council.

Making improvement works available to owner occupiers will also support the delivery of the Council's Healthier Housing Strategy and contribute to improved health outcomes for residents, link to other projects such as the Hospital to Home project being developed with CCG / health colleagues and further demonstrate to partners the central role housing related activity can play in preventing accidents, ill health and mental distress.

The legislation that gives local authorities the power to loan money for housing repairs stipulates that the local authority must ensure that the applicant can afford to repay the loan. The Council's approach will be compliant with the relevant legislation and the Council's Corporate Debt Policy.

The effective utilisation of legislation within the context of existing Council policies will enable monies to be recovered from loan applicants where enforced works are carried out. This will assist in the long term sustainability of the scheme should a decision in the future be taken to continue to direct recovered monies for housing renewal purposes.

## **BACKGROUND INFORMATION**

In February 2013 Cabinet approved the Private Sector Housing Enforcement Policy. The policy sets out the range of legislative powers available to the Council for the purpose of enforcing housing standards across the Borough. One of the options available to authorised officers is the power to carry out works in default.

Works in default can be carried out by the Council where the recipient of a formal notice fails to comply with that notice. Usually a formal notice would be served on a person such as a landlord to compel them to carry out a repair or make an improvement to their rented property. A notice is served as a result of a housing assessment that identifies hazards and scores the health risks of the hazard to the occupier. Where the health and safety remains compromised due to the non compliance of a notice it would become necessary for the works to be carried out to ensure the safety of the occupants. Currently very limited funds are available to undertake such works. The money that is spent carrying out works on behalf of an owner can be secured or recovered by using legislative powers provided within the range of acts utilised, such as the Housing Act 2004 and the Environmental Protection Act 1990.

Government funding to deliver Home Repair Assistance Grants and the regional Kickstart scheme are no longer available to assist residents. Consequently, the absence of assistance has meant some home owners are unable to carry out emergency repairs on their homes. The proposals put forward in this report to utilise available resources in line with the Financial Assistance Policy will therefore offer a solution to those owners who may require assistance.

Additionally, by carrying out the required works at identified properties, the health, wellbeing and independence of residents will be maintained and enhanced. Admissions into hospital as a result of accidents due to disrepair may also be

reduced, saving the NHS bed spaces and resources. This is consistent with the approach being developed by the Council in partnership with the CCG and other health colleagues. The use of loans will also result in less pressure being placed on the available housing stock in Tamworth as a result of a prohibition order being made. The provision of loans will also make a valuable contribution in ensuring the housing stock in Tamworth is maintained to a decent level

#### **REPORT AUTHOR**

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#### **LIST OF BACKGROUND PAPERS**

#### **APPENDICES**

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