

CANNOCK CHASE COUNCIL

CABINET

14 JUNE 2007

REPORT OF DEPUTY CHIEF EXECUTIVE

PORTFOLIO LEADER – HEALTHIER COMMUNITIES, HOUSING & OLDER PEOPLE

PROPOSALS FOR MEETING THE PRIVATE SECTOR DECENT HOMES TARGET

1. Purpose of Report

- 1.1 This report sets out the Council's proposals for meeting the Government's Public Service Agreement (PSA) Target 7 (known as the Decent Homes target) in relation to private sector homes housing vulnerable people and families with children.

2. Recommendations

- 2.1 That Cabinet agree to commence a pilot Private Sector Decent Homes Programme in the Oaktree Road/Larch Road, Brereton area.
- 2.2 That Cabinet agree to the commissioning of a Decent Homes survey of all the privately owned pre-cast reinforced concrete dwellings in the pilot area of Oaktree Road/Larch Road, Brereton. This will include consultation with residents on the estate.
- 2.3 That Cabinet request that the Healthier Communities, Housing & Older People Select Committee review the pilot and make recommendations to feed into the preparation of a programme for other PRC properties throughout the District. A further report will be brought to Cabinet on the outcome of the pilot programme and the proposals for the future programme.
- 2.4 That Cabinet replace Urgent Repair Grants with Decent Homes Grants and apply the new eligibility criteria set out in paragraph 3.9 of the report.
- 2.5 That Cabinet agree to no longer offer Urgent Repairs Loans and redirect resources into Decent Homes Grants.

3. Key Issues

- 3.1 The Council has to meet the Government's PSA7 target on decent homes by 2010. In 2004, the definition of the target was expanded to incorporate private sector homes housing vulnerable households, including families with children. Vulnerable households are those in receipt of one or more of the principal income related or disability benefits. The Government are encouraging Authorities to prioritise families with children; older people beyond working

age; and those suffering from a long term illness or disability. 70% of the Districts private homes that house vulnerable people must meet the Decent Homes Standard (DHS) by 2010.

- 3.2 Research estimates that the District contains a total of 6,984 private sector homes housing vulnerable people. Of these, it estimated that 4,795 or 68% currently meet the DHS. This also leaves 2% or around 94 non-decent homes which need improvements to make them decent by 2010 in order for the Council to comply with the Government's PSA7 target. Following this, there is a need to have in place a programme to demonstrate how the Council will secure year-on-year improvements to meet the second part of the PSA7 target.
- 3.3 Cabinet agreed in November 2005 that one of the Strategic Housing Priorities was to work towards bringing all homes up to the DHS. It is on the basis of meeting this commitment and in order to meet the Government's PSA7 target that Cabinet agreed in October 2006 to redirect £1million of housing capital resources to tackling this issue. This report therefore proposes an approach to assisting private owners, landlords and tenants to ensure their homes meet the DHS. The approach is based on the principles agreed with Cabinet in November 2005 and again endorsed by Cabinet in August 2006 of tackling the worst housing stock in the poorest areas first.
- 3.4 It is recognised that the worst housing stock in the District are the 1,500 ex-National Coal Board (NCB) pre-cast reinforced concrete (PRC) dwellings, many of which are cold and damp. These defective dwellings are located on estates throughout the District. Analysis of the Indices of Multiple Deprivation also reveals that the former NCB estates of PRC dwellings also house some of the poorest people in the District.
- 3.5 The proposal is to pilot a Private Sector Decent Homes Programme on one of the ex-NCB estates and then roll out this programme on an incremental basis.
- 3.6 It is proposed to commence the pilot programme on the PRC dwellings in the Oaktree Road/Larch Road area of Brereton to match works being undertaken to the Council-owned properties on the estate.
- 3.7 The programme will involve a Decent Homes survey being undertaken by a suitably qualified organisation. The outcome of which will dictate the improvement works required to achieve the DHS. All works that receive a Decent Homes Grant will have to be tendered through the Council's partner Home Improvement Agency – Walbrook Care & Repair.
- 3.8 The proposal is to make financial assistance available to owners on a principal means-tested benefit in the form of a Decent Homes Grant covering 100% of the cost of works. This will replace the previous Urgent Repairs Grant. It is proposed to take a carrot & stick approach with landlords, so they receive a Decent Homes Grant covering 25% of the cost of works but assistance will only be paid for works tendered through Walbrook Home Improvement Agency that allow their property to meet the DHS.
- 3.9 It is proposed to cancel the Urgent Repairs Loan Scheme and redirect the resources, previously received from Government to promote this scheme, towards the Decent Homes Grant. The Houseproud Scheme remains available to owners who are not on a principal means-tested benefit and landlords whose tenants are not classed as vulnerable, to borrow against the equity in their homes to pay for works to bring their property up to the DHS.

- 3.10 Where a property fails on the grounds of poor insulation and/or heating, the owner will be referred to the Government's Warm Front Grant or the Black Country Energy Saving Advice Service. This will allow them to benefit from a range of insulation and heating schemes.
- 3.11 A review of the pilot programme, Decent Homes outcomes, and the levels of financial assistance will be made by the Healthier Communities, Housing & Older Peoples Select Committee following completion of the pilot programme. The recommendations will feed into a full programme covering the remainder of the PRC estates throughout the District.

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Section 1

Background

During the 1950's several estates of property were constructed within Cannock Chase District Council's area by the NCB using non-traditional methods of construction to meet the housing needs of the mining community in the area. The properties were constructed using a range of different concrete construction techniques which were favoured at the time to produce easily constructed accommodation.

In the 1980's ownership of the estates was fragmented, some going to the Local Authority to provide public sector housing, whilst others were sold directly to occupiers and landlords in the private sector.

All the properties constructed using concrete construction techniques are suffering from a range of problems as a result of the building techniques used in the 1950's and are often unable to meet the higher standards of today.

During the 1980's and early 1990's, grants were available to owners to improve the houses and address the concrete construction failures that were becoming apparent, the estates in Cannock are pepper potted with such improved properties, but no strategic approach was taken at the time and there are many properties remaining that do not have an extended life.

Since the late 1990's there has been little resource available to support any major intervention into the estates to support improvement of the properties and many are now let to vulnerable people by private sector landlords.

Section 2

Details of Matters to be Considered

**Funding**

In February 2005, a report was published by a consortium of West Midland Local Authorities, including Cannock Chase Council, called 'A Case For Investment'. This report highlighted the problems associated with the concrete structures and the need for resources to be applied to deal with the problems.

Council in February 2007 approved a budget for 2007-08 of £267,500 for Private Sector Decent Homes. Members have also agreed in October 2006 to allocate additional resources of £700,000 from the sale of one bedroom bungalows. A further £524,054 was awarded this financial year from the Regional Housing Board which does not have to be spent in one financial year, but needs to be used to ensure the Council meets the private sector housing element of the DHS by 2010.

**Areas for initiatives**

The proposal is to look at a pilot area to gauge the effectiveness of intervention in this type of property, there are however a number of estates where similar properties exist, and where there is likely to be a case for involvement to assist owners to bring the properties up to at least the DHS.

The former coalfields estates do house concentrations of vulnerable residents as indicated in the Indices of Multiple Deprivation, which are determined by comparison with similar areas across the country against criteria set by Government.

The estates concerned contain non-traditional PRC dwellings of a number of different types of construction, it is assumed that all of which fail to meet the DHS. The table below shows the estimated number of PRC dwellings throughout the District by location, ownership and construction type.

Estate	Construction Type	Privately owned	Council owned
Elizabeth Road Estate, Cannock	Wates	57	45
Pear Tree Estate, Rugeley	Wates	549	0
Oaktree Road/Larch Road, Rugeley	Wates	96	8
Johnson Road Estate, Cannock	Wates	200	0
Blackfords Estate, Cannock	Wates	200	0
Moss Road Estate, Cannock	Reema (Houses & Flats)	21	231
Braemar Road Estate, Norton Canes	Reema	29	27
Rowley Close Estate, Hednesford	Cornish	54	48
	<i>Total</i>	1,206	359

The proposal is to commence the pilot programme in the Oaktree Road/Larch Road area because:

- i) The Council owned dwellings on the estate are receiving structural works this financial year which will give them a reasonable length of future life.
- ii) The opportunity may well be available for private owners to buy into the proposed improvement programme so ensuring a whole estate approach to the rehabilitation and improvement works rather than leaving isolated properties unimproved.
- iii) The area is of a size which will enable an effective pilot scheme to be undertaken, partly because of its size but also its location and tenure mix.
- iv) The Council have a good level of technical knowledge of the Wates PRC properties from more detailed structural investigations carried out on Council owned properties on the estate.

The pilot area will be surveyed to give the Council a clear indication of the problems that exist in the properties and the sort of involvement required to bring them up to the DHS, and the eligibility of the owners, tenants and landlords within the estate.

The works will bring the properties up to the DHS. This includes the provision of adequate modern heating systems, modern facilities, insulation in the roof and upgrading of the windows and doors to improve thermal efficiency of the property. The programme will not undertake structural reinstatement works nor increase the life expectancy of the properties, but it will improve the quality of life for the vulnerable residents.

There will need to be close liaison with owners and occupiers of the properties within the target area so as to ensure their views and aspirations are considered as part of the pilot, this will also enable the Council to plan future proposals using the information collected in the pilot programme.

## **Proposals**

The Council will commission a suitably qualified organisation to undertake a survey of all the privately owned PRC properties on the Oaktree/Larch Road estate to determine the extent of work required to meet the DHS. The survey will inform the Council of the extent of the Decent Homes pilot programme on the estate, the work required and the likely cost. Detailed consultation will then be required with each homeowner or landlord on a programme of works. The survey will also provide information about the general structural condition of the property, so advice and assistance can be given to owners' in the future about options that may be available to give the properties a longer useable life.

The proposal is to then offer homeowners on a principal means tested benefit a Decent Homes Grant covering 100% of the costs of the works. These would replace the Urgent Repairs Grants, which are outdated since the introduction of the new approach to housing enforcement of health & safety in properties agreed by Cabinet in October 2006.

In the case of Landlords of property where there is a vulnerable household occupying the property, it is proposed to take a carrot & stick approach. Decent Homes Grant will be limited to 25% of the costs of the Decent Homes work and financial assistance will only be paid for works tendered through Walbrook Home Improvement Agency. This ensures quality and value for money and should be advantageous to landlords as the works will be project managed by Walbrook. Landlords will also be exposed to potential enforcement action under the Housing Act 2004 should a category 1 or 2 hazard be discovered during the survey.

All works that receive a Decent Homes Grant will have to be tendered through the Council's partner Home Improvement Agency – Walbrook Care & Repair. This organisation was selected through a competitive process, works closely with the Council to deliver the disabled adaptations and home improvements for vulnerable households, and is set up to tender improvement works through Constructionline to ensure value for money is secured.

It is proposed to cancel the Urgent Repairs Loan Scheme and redirect the resources (previously received through Government funding to promote this scheme) towards the Decent Homes Grant. The Houseproud Scheme remains available to owners who are not on a principal means-tested benefit and landlords whose tenants are not classed as vulnerable. The scheme allows people to borrow against the equity in their homes to pay for works to bring their property up to the DHS.

Where a property fails to meet the DHS on the grounds of poor insulation and/or heating, the owner will be referred to the Government's Warm Front Grant or the Black Country Energy Efficiency Advice Centre. This will allow them to benefit from a range of insulation and heating schemes subsidised by energy companies as part of their Energy Efficiency Commitment. It will also assist in reducing the amount of Decent Homes Grant required from the Council.

Where a category 1 or 2 hazard is discovered as part of the Decent Homes Survey, this will be tackled in line with the enforcement policy agreed by Cabinet in October 2006.

A review of the pilot programme, Decent Homes outcomes, and the levels of financial assistance will be made by the Healthier Communities, Housing & Older Peoples Select Committee following completion of the pilot programme. The recommendations will feed into a full programme covering the remainder of PRC estates throughout the District (as listed in the table in 6.3). A further report will be brought to Cabinet on the outcome of the pilot programme and the proposals for the future programme.

**Section 3**

**Contributions to CHASE**

This programme will contribute to C.H.A.S.E. by ensuring that the homes of vulnerable residents in the private sector are being made decent and the Council is meeting this element of the Government's DHS by 2010.

In November 2005, Cabinet agreed to four Strategic Housing Priorities that deliver the Council's "Housing Vision" and contribute to both the Community Strategy and CHASE objectives. These Strategic Housing Priorities will form the basis of our forthcoming Housing Strategy for the District and delivering decent homes is part of the 'Modernising the Housing Stock – a decent home for all' priority.

- 1) Healthier Communities, Housing & Older People – helping to develop a healthy community through the improvement of the private sector stock.
- 2) Access to Skills, Economic Development and Enterprise – contribution to the development of a strong local economy through investment in the housing stock.
- 3) Environment – contribution to a clean, safe and sustainable environment through the effective improvement of standards within the private sector housing stock of the area.

**Section 4**

**Section 17 (Crime Prevention) Implications**

There are no crime prevention implications arising from this report.

**Section 5**

**Human Rights Act Implications**

Article 8 provides that –

- (1) Everyone has the right to respect for his private and family life, his home and his correspondence.
- (2) There shall be no interference by a public authority with the exercise of this right except such as in accordance with the law and is necessary in a democratic society in the interest of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedom of others.'

Article 1 of the First Protocol provides that –

'Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No-one shall be deprived of his possession except in the public interest and subject to the conditions provided for by law and by the general principles of international law.

The preceding provision shall not, however, in any way impair the right of a state to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure the payment of taxes or other contributions or penalties.'

The Council will, as part of this proposal, be consulting the residents to ensure it meet obligations under the Human Rights Act 1998. As such, the Council's actions are considered to be compatible with the Human Rights Act 1998.

**Section 6**

**Data Protection Act Implications**

There are no data protection implications arising from this report.

**Section 7**

**Risk Management Implications**

The Council will be assessed against its achievement of the Communities and Local Government Public Service Agreement target 7 on decent homes. Failure to achieve the target will have an adverse affect on the Council's CPA score. Current estimates indicate that some 2,200 vulnerable households have their quality of life reduced by living in a non-decent home.

Both of the above risks are mitigated by the programme recommended in this report.

**Section 8**

**Legal Implications**

The Decent Homes Grant has been introduced under the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002. It replaces the Home Repair Assistance Grant which was in place under the Housing Grants, Construction and Regeneration Act 1996.

It is designated to provide assistance in the form of either works or materials with small scale repairs to a dwelling which would improve the property towards the Decent Homes Standard.

This Order confers on local housing authorities in England and Wales a new power to improve living conditions in their area. The new power enables an authority to provide assistance to any person for –

- a) the acquisition of living accommodation, where the authority wish to purchase a person's home or as an alternative to adapting, improving or repairing it;
- b) the adaptation or improvement of living accommodation (including by alteration, conversion or enlargement, and by the installation of things or injection of substances);
- c) the repair of living accommodation;
- d) the demolition of buildings comprising or including living accommodation;
- e) the construction of replacement living accommodation to replace living accommodation that has been demolished.

Authorities are required to consider a person's ability to meet a contribution or to repay the assistance, both before imposing a condition to that effect and before taking steps to enforce a condition of that kind. They are also required to provide a written statement of the conditions to which assistance is subject, and to ensure that a person to whom assistance is given has received advice or information about any obligations to which he would be subject once assistance has been provided. They may take security, including a charge on property.

The new power is not exercisable until the authority has adopted and published a policy relating to their exercise of the power, and the power must be exercised in accordance with the policy.

Local authorities only have powers to take action where the house does not meet the fitness standard which is only one element of the decent homes standard and in some cases to remedy disrepair.

**Section 9**

**Financial Implications**

Council on 28<sup>th</sup> February 2007 approved a budget of £267,500 for 2007-08 in the Capital Programme to fund projects relating to achieving the Decent Homes standard. This is subject to claw back of £21,450 due to the 2006-07 outturn exceeding expectations which will leave an available approved budget of £246,050.

Council also allocated £700,000 for future works on Decent Homes in the General Fund Capital Programme. In addition a grant of £524,054 has been allocated by Government Office of the West Midlands. For these additional amounts to be included in the General Fund Capital Programme to enable spending to take place further reports will need to be submitted.

**Section 10**

**Human Resource Implications**

There are no human resource implications arising as a direct consequence of undertaking a survey.

**Section 11**

**Conclusions**

That the recommendations set out in the report are agreed.

**Section 12**

**Background Papers**

- (a) CLG Decent Homes Definition – June 2006
- (b) 'A Case for Investment' - February 2005
- (c) Regional Housing Board allocations - January 2006