

Appendix 4

**Private Sector Housing Strategy** 

2013-2018

Final Version: 18 March 2013 Incorporating consultation amendments

March 2013

Version 16



#### Private Sector Housing Strategy Summary of Key Changes as at 05/03/2013

The table below outlines the significant changes to the Strategy since the previous consultation version. This table does not include details of:

- Minor changes to improve readability
- Additions / amendments to ensure the Strategy content supports specific actions previously agreed in the action plan.

Section	Para #	Details of significant changes
Intro	7	Added details and objectives of Mayor's 2012 PRS covenant
Intro	9-10	Updated / clarified details of forthcoming Welfare Reforms
Intro	18	Added contextual data about projected increase in support
		needs
Intro	24	Updated details of DHP fund for 2013/14
1	32	Added sentence to reflect Council's duty to manage
		expectations of housing applicants (and their likelihood of
		obtaining social housing), and provide realistic housing advice
		and options (Source: consultation)
2	47	New para: Added details of voluntary London Rental
		Standard added (from Mayor's PRS covenant)
2	50, 55	New paras: outlining Harrow's aim to promote rights and
		responsibilities of PRS tenants and publicise where tenants
		and landlords can obtain advice (Source: consultation)
2	52	New para: relating to poor practices of a minority of lettings
		agents and the role of Help2Let in competing with these
		agents (Source: consultation)
2	53	New para: outlining how Harrow will work with landlords to
		explore feasibility of more secure tenancies in the PRS
	50	(Source: consultation)
2	56	Addition to include a commitment to investigate extent of
		"beds in sheds" in Harrow and respond appropriately (Source:
2	57	PRS covenant)
2	57	New para: relating to Harrow's continuing work to license
2 (and	60 (and	HMOs in the borough. New para: outlining s80 of 2004 HA (selective licensing) and
2 (and Intro)	60 (and 17)	Harrow's intention to explore feasibility of additional options to
muo)	17)	improve property standards in the PRS (Source:
		Consultation)
3	64-66	Updated / amended detail relating to "Repair to Lease"
Ũ	0100	scheme, Empty Homes Programme and council tax
		chargeable on empty properties
4	72	Removed detail about tentative proposals to develop a HIA
		scheme for owner-occupiers
4	77-78	Widened the scope of section from "housing options for
		young vulnerable people" to cover other age groups.
		Maintained specific focus on impact of change to Shared
		Accommodation Rate to under 35s.
5	84	New para: relating to Harrow offering advice to PRS landlords
		and tenants
6	91	Amended para relating to engagement with PRS tenants.

#### Introduction

- 1. A person's home can have a major impact on their quality of life and general health and wellbeing. It plays a key role in sustaining communities. Everyone wants to live in a home that is warm, dry, secure, affordable and suitable for their needs. The Council's Housing Strategy (2013-2018) sets out the Council's strategic housing aims and highlights in particular the increasing importance of the private rented housing sector in meeting housing needs.
- 2. This Private Sector Housing Strategy sets out in more detail how the Council intends to support and encourage a strong and sustainable private housing sector. It includes priorities for action over the next five years and an action plan to meet these aims.
- 3. Harrow Council believes that, through investment in private sector housing and by ensuring that good standards are maintained, wider benefits for the residents of Harrow will be delivered. These include:
  - a. A greater choice for those who cannot access social or owner occupied housing
  - b. Improved access to employment and training opportunities
  - c. Better educational attainment
  - d. Improved health outcomes
  - e. More choice and independence for older or disabled households or those who have other needs which make them vulnerable, and who wish to remain in their own homes
  - f. Improved energy efficiency and reduction in fuel poverty
  - g. A reduction in homelessness
- 4. In view of the Council's limited resources, the Private Sector Housing Strategy will focus on what can be done to encourage and facilitate the continued provision of a good quality private housing sector, including private rented housing. This will be achieved by working in partnership with other boroughs, landlords, developers and private tenants and residents, whilst using available enforcement resources to tackle the worst conditions in the sector.
- 5. The Private Sector Housing Strategy and accompanying action plan will cover the period 2013-2018.

#### National Context

- 6. The government made a clear statement about its housing policy through its November 2011 strategy document "Laying the Foundations: A Housing Strategy for England." The prime focus of the strategy is revitalising the housing market and delivering a thriving and expanding private rented sector (PRS). However, the strategy also makes clear the importance of high standards in the private rented sector and encourages local authorities to make "full use" of the robust powers they have to deal with unsatisfactory properties.
- 7. The Mayor of London's 2012 housing covenant, "Making the Private Rented Sector work for Londoners", sets three principal objectives for the PRS: increasing housing supply, empowering consumers and promoting property standards and energy-efficiency. The Covenant highlights the importance of working with private sector landlords, agents and tenants to achieve these objectives, whilst recognising that Councils should use their full enforcement powers where necessary to tackle the worst conditions in the sector. Harrow Council recognises and will continue to deliver against these objectives, including through its innovative local lettings agency, Help2Let.
- 8. Key government policies which are relevant to the Private Sector Housing Strategy are summarised below:

#### The Welfare Reform Act 2012

- 9. Since 2011, changes made to the Local Housing Allowance (LHA) for private rented properties include:
  - a. Reducing the LHA rate from the 50<sup>th</sup> percentile to the 30<sup>th</sup> percentile of private market rents. This reduces the number of properties available to households requiring their full rent to be covered by their LHA claim
  - b. Capping the LHA rate so that the maximum level is for a fourbedroom property
  - c. Extending the Shared Accommodation Rate age limit from 25 to 35 years. This means that claimants aged under 35 years who live in a self-contained property are eligible for a lower rate of LHA.
- 10. The Welfare Reform Act sets out a number of changes to welfare benefits that will affect the income of certain households living in the private sector. These include:
  - a. Stricter eligibility rules for mothers with young children claiming Income Support
  - b. Stricter eligibility rules for couples with children working part-time and claiming Working Tax Credit
  - c. The replacement of a number of benefits by Employment Support Allowance and Personal Independence Payments for working-age households, which may led to a reduction in household income for some claimants
  - d. The introduction of Universal Credit in October 2013, which will change how many welfare benefits are paid to working-age households.

e. A cap on the maximum weekly benefit allowance, including housing costs, to £500 per week for lone parents and couples (with or without children) and to £350 per week for single-person households.

#### Localism Act 2011

11. A number of provisions within the Localism Act impact on private sector

- housing, such as:
  - a. Introducing the ability to discharge the homelessness duty through an offer of accommodation in the private rented sector. This is detailed in Harrow's Homelessness Strategy (2013-2018);
  - b. Passing responsibility for the administration of Council Tax benefit to the local authorities, whilst reducing the level of subsidy given to the authority. In the borough of Harrow, this means that working-age households who currently receive 100% Council Tax benefit will have to make a contribution;
  - c. Allowing Local Authorities to decide how they charge Council Tax, including exemption times for empty properties. New Council Tax schemes will take effect in Harrow from April 2013.

#### Energy Act 2011

- 12. The Energy Act introduces the Green Deal and the Energy Company Obligation (ECO), which is the Government's flagship initiative aimed at improving energy efficiency in properties across the UK. Under the Green Deal, households and businesses will be able to have energy efficiency measures installed without any upfront costs. This is subject to the 'golden rule' being met, which states that the improvements can paid for over a period of years by fuel bill savings. Those ineligible for the Green Deal may receive support through the ECO.
- 13. The Department of Energy and Climate Change recently issued revised guidance under the Homes Energy Conservation Act (HECA), which requires:
  - a. Local authorities to set out practicable, cost-effective energy conservation measures which it considers likely to result in significant improvement in the energy efficiency of residential accommodation in its area.
  - b. Submission of a report to the Secretary for State for Energy and Climate Change on the same by 31 March 2013, and update reports at two-year intervals.
- 14. Details of how Harrow will make best use of opportunities available to promote energy efficiency and support affordable warmth are contained in the Council's Climate Change and Delivering Warmer Homes Strategies.

#### Housing Act 2004

- 15. In practice, the Housing Act 2004 and the Regulatory Reform (Housing Assistance) Order 2002 still remain the main influences on the way local authorities address private sector housing. The Reform Order, amongst other changes, gives local authorities greater freedoms to set their own framework to provide financial assistance rather than simply apply national rules.
- 16. The Housing Act introduced:
  - a. The Housing Health and Safety Rating System (HHSRS), which sets out a risk assessment that can be consistently applied by local authorities to identify hazards. The local authority has a duty to take appropriate action if a category 1 hazard is identified in a property

The HHSRS has 29 hazards against which properties are assessed and these are graded A-J depending on their severity. The Council's legal duty only applies to those which are the most serious and make a property non-decent (graded A-C as category one hazards). Further information about the HHSRS is available at Appendix 2.

- b. Mandatory and discretionary licensing of Housing in Multiple Occupation (HMO)
- c. Discretionary selective licensing of privately rented properties in areas experiencing low housing demand and/or suffering from anti-social behaviour (Section 80)
- d. Compulsory leasing powers for local authorities to deal with empty homes (Empty Dwelling Management Orders).

#### Local Context

#### Key information about Harrow

- 17. The Council has developed a separate <u>evidence base</u>, available on its website, to inform its Housing Changes strategies and decision making.
- 18. Key information and trends on Harrow and private sector housing are presented below:

#### Population

- a. There has been a 15% increase in Harrow's population over the last decade, rising from 207,000 in 2001 to 239,000 in 2011.<sup>1</sup>
- b. Harrow has the second largest average household size in the country, with 2.8 persons per household <sup>2</sup>.
- c. The number of households aged over 65 in Harrow has increased by 12.3% since 2001.<sup>3</sup>
- d. Projections show that, by 2015, there will be significant pressures on adult social care service budgets to support the growing needs of older people, those with physical and learning disabilities and people with significant mental health issues.<sup>4</sup>
- e. As of August 2012 there were LHA claims for over 7,000 properties within the borough.<sup>5</sup>
- f. Universal Credit cap on benefits will affect an estimated 700 households in Harrow.

#### Housing

- g. 7 in 10 households own their home. The vast majority of these owner occupiers are older people. <sup>6</sup>
- h. Approximately 20% of the 85,000 housing stock in Harrow is in the PRS. This is almost twice the size of the social housing sector and, whilst roughly in line with levels throughout London, is much higher than in other areas of the country.<sup>7</sup>

<sup>&</sup>lt;sup>1</sup> Office for National Statistics, 2001 and 2011

<sup>&</sup>lt;sup>2</sup> Office for National Statistics, 2011

<sup>&</sup>lt;sup>3</sup> Office for National Statistics, 2001 and 2011

<sup>&</sup>lt;sup>4</sup> Projecting Adult Needs and Service Information (PANSI) and Projecting Older People Population Information (POPPI), June 2012

<sup>&</sup>lt;sup>5</sup> There is a small element of double counting in these figures, as multiple claims are made in HMOs <sup>6</sup> Office for National Statistics, 2011

<sup>&</sup>lt;sup>7</sup> West London Strategic Housing Market Assessment, 2010

- Harrow has a low proportion of Houses in Multiple Occupation (less than 2%), but this is likely to increase in coming years as the full impact of the welfare changes take effect.<sup>8</sup>
- j. As of 1<sup>st</sup> May 2012, there were 946 (1%) vacant private sector properties in Harrow, of which 302 (0.3%) had been empty for 6 months or more. <sup>9</sup>

#### Supply and Demand

- k. There is high demand for social housing in Harrow, with approximately 5,000 households on the Housing Register as at Decmeber 2012. This is coupled with low supply, with only around 400 social housing lettings per annum. This means that the Council often needs to help households in priority need to find private rented accommodation. The Council has helped more than 800 households find a PRS home between April 2009 and March 2012.
- I. Reflecting the national trend, which is felt more keenly in London and the South East, new house building within the borough is not keeping up with the growth in population.

#### Conditions

- m. Between April 2006 and March 2012, the Council issued 3,070 informal improvement notices to landlords and 718 statutory enforcement notices to bring these properties up to an acceptable standard.
- n. In the period between April 2006 and March 2012, the Council identified 380 category one hazards within PRS housing in the borough.

#### Housing Market

- o. There were 2,229 private house sales in Harrow in the financial year 2011/12, which is a third less than the level of sales at the height of the recent property boom.<sup>10</sup>
- p. In the period April 2009 to March 2012, the Council enabled around 800 empty private sector properties to be brought back into use through a combination of grant assistance and collaborative working with landlords.
- q. The Buy-to-Let mortgage market nationally is recovering cautiously and it is likely that the percentage of properties within the PRS will continue to increase in future years.<sup>11</sup>

#### The importance of good housing

19. The majority of private sector housing in Harrow is relatively old, with 75% of the stock pre-dating 1945. With older properties comes the increased likelihood of poor housing conditions. This can have an impact on the mental and physical health and wellbeing of inhabitants, and research shows that there are clear links between sub-standard housing and poor health (for example, damp homes can lead to respiratory illness such as asthma)<sup>12</sup>. The Marmot report highlighted the links between heart attacks, strokes and respiratory disease in

<sup>&</sup>lt;sup>8</sup> West London Strategic Housing Market Assessment, 2010

<sup>&</sup>lt;sup>9</sup> Local Authority Statistics on Housing, 2012

<sup>&</sup>lt;sup>10</sup> HM Land Registry, April 2012

<sup>&</sup>lt;sup>11</sup> Council of Mortgage Lenders (CML), 2012

<sup>&</sup>lt;sup>12</sup> E.g. World Health Organisation, 2011; Parliamentary Office of Science and Technology, 2011.

the winter months<sup>13</sup>. There is a similarly clear link between overcrowded accommodation and wellbeing of inhabitants.<sup>14</sup>

- 20. Under the Housing Act 2004, the Council's intervention powers are limited in addressing conditions in the owner occupied sector unless significant risks to the health and safety of those living in surrounding properties are identified. However, the Council has a duty to act where poor conditions are identified in the PRS, as described above.
- 21. Harrow signed the Nottingham Declaration in July 2007, demonstrating the Council's recognition of the far reaching effect of climate change on the UK's people and places, economy, society and environment. Housing in Harrow accounts for 66% of the static carbon emissions in the borough (excluding transport)<sup>15</sup>. Improving the energy efficiency of the housing stock will significantly contribute towards reducing the levels of carbon emissions.

#### The importance of affordable Private Sector housing

- 22. Since the financial downturn in 2008, most mortgage lenders require a deposit of 20% of a property's value.<sup>16</sup> Although market activity within Harrow has been slowly improving in recent years, it is below the level experienced at the height of the property boom in 2007/08. In May 2012, the median price for a two bedroom property in Harrow was £286,300, requiring a deposit of £57,260 and an annual gross household income of £65,440.<sup>17</sup> Those households who only a few years ago were able to afford home ownership must now rely on the PRS or shared ownership to meet their immediate and longer-term housing needs.
- 23. For households renting in the PRS, there is a wide disparity between rents at the lower and upper quartiles of the private rental market in Harrow. It is the lower end of the market that will cater for the needs of households in receipt of local housing allowance or in low paid employment. Renting a two bedroom property in the lower quartile would require an income of £38,000 gross per annum.<sup>18</sup> The current level of LHA for a two bed property in Harrow is roughly in-line with the lower quartile.
- 24. The Council has recourse to £1.2 million of Discretionary Housing Payments in 2013/14, which can be used to assist households to cover a shortfall in their rent. These funds are not sufficient to do more than provide a temporary arrangement for certain eligible households until they are able to find more economically realistic, alternative accommodation. Further information on how the Council plans to prevent homelessness as a result of changes to welfare benefits is available in the Council's Homelessness Strategy.

#### The importance of housing to the local economy

25. The type and quality of housing significantly impacts on the local economy. Making sure that the right type of housing is available locally is essential to attracting and retaining skilled people, encouraging inward investment to the borough and contributing to a thriving local economy.

<sup>&</sup>lt;sup>13</sup> Marmot Review "Fair Society, Health Lives" – Strategic Review of Health Inequalities in England, 2010

<sup>&</sup>lt;sup>14</sup> E.g. Shelter, 2005

<sup>&</sup>lt;sup>15</sup> Energy Savings Trust, 2012

<sup>&</sup>lt;sup>16</sup> Council of Mortgage Lenders (CML), 2012

<sup>&</sup>lt;sup>17</sup> Source: mouseprice.co.uk. May 2012 for house prices over the previous quarter.

<sup>&</sup>lt;sup>18</sup> Based on housing costs not exceeding 30% of gross income (which is currently equivalent to 40% of net income where net income is 75% of gross)

- 26. Equally, high housing costs can negatively impact on the local economy by acting as a disincentive to both workers and business to locate in Harrow. For lower paid workers, high housing costs can erode any gains from employment and can leave families in a 'benefit trap' (where welfare benefits provide a higher income than employment). Reforms to welfare benefits mean that working households will be in a better position to afford private-rented accommodation than those which are not in work.
- 27. Harrow Council is working in partnership with other organisations to promote employment opportunities and support people to enter work, training or other employment-related activities. Further details of how Harrow is working in partnership to promote economic development can be found in the <u>"Enterprising Harrow" Strategy</u>. This Private Sector Housing Strategy recognises the important relationship between housing and economic development and supports Harrow's economic development Strategy and its objectives.

#### **Strategy Objectives**

28. Overarching housing objectives were approved by Harrow Council's Cabinet in 2011 in response to the national policies changes and Harrow's local context. They are presented in more detail in the Council's Housing Strategy (2013-2018), which is available on the Council's <u>website</u>. The Private Sector Housing Strategy supports these overarching objectives, as detailed in the table below:

Housing Strategy Objectives	Private Sector Housing Strategy Objectives
Increase the supply of housing, including locally affordable housing and make best use of existing social	1. Increase the supply of privately rented accommodation within the borough.
housing stock	2. Enable and enforce better housing conditions in the private sector
Continue to tackle homelessness by improving access to, and improving standards in the private rented sector	3. Bring empty properties back into use
Enhanced housing options, promoting mobility and choice	4. Meet the needs of vulnerable households living in the private sector
Improving neighbourhoods and the quality of existing homes	5. Improve energy efficiency and reduce fuel poverty
	<ol> <li>Develop new and strengthen existing partnerships to support private sector housing.</li> </ol>

29. In summer 2012, an Overview and Scrutiny Panel conducted a review of the PRS in Harrow and made a number of recommendations for inclusion in this strategy, as set out in Appendix 1. These have been taken into consideration in developing this Strategy.

- 30. This Strategy supports the delivery of the Council's Climate Change and Delivering Warmer Homes Strategies through Strategic Aim 5. The Strategic Aims also support the Council's economic development Strategy, "Enterprising Harrow". These documents are available on the Council's website.
- 31. This Strategy should also be read in conjunction with the Tenancy Strategy, which sets out the Council's approach to using its limited housing resources to best effect, the Allocations Scheme, which sets out who will be able to access the Council's housing stock, and the Homelessness Strategy, which sets out how the Council will assist homeless households. These documents are available on the Council's <u>website</u>.

#### 1. Increase the Supply of Private Rented Sector Accommodation

- 32. From national research and local evidence it is clear that the demand for PRS properties is growing. A vibrant PRS is important to meeting the immediate and longer-term housing needs of households for whom the sector will be the only choice given the demand for social housing. It will be important to have a supply of good quality, well managed and economically realistic PRS housing in order to meet this demand. It is also important that the Council manages the expectations of applicants for social housing and, where appropriate, offers realistic advice and provides alternatives for households to meet their housing needs in the private rented sector.
- 33. Harrow's overarching Housing Strategy (2013-2018) sets the provision of more affordable housing as a key objective. It emphasises the importance of the PRS in preventing homelessness through a range of measures. It also sets out how the Council intends to increase the overall supply of housing in the borough.
- 34. Returning empty private sector properties to use will be an important way to increase supply. We will continue to develop measures to do this including the provision of financial assistance, advice, support and encouragement to owners. However as Harrow has a lower number of empty properties than the London average, increasing the supply in this way alone will not be sufficient to meet growing demand. It is therefore vital that new and alternative ways of increasing the supply are explored.
- 35. The Help2Let scheme works with landlords to increase the supply of affordable private sector properties for homeless households and those who are threatened with homelessness. Harrow Council will continue to seek to increase the number of landlords using the Help2Let scheme and will consider innovative ways to do this, including those that provide the Council with nomination rights to properties.

#### 36. Case Study: Increasing supply by managing and leasing PRS properties.

The Council's local letting agency, Help2Let, leases and manages properties on behalf of private landlords within the borough to provide economically realistic housing options for homeless households. The service finds tenants, manages and inspects properties and guarantees rent (with up to 2 months payment in advance). The innovative scheme aims to bridge the gap between high demand for social housing and the lack of available homes.

There are currently 237 properties in the Help2Let scheme and additional properties are constantly being sought.

37. The Government, in recognition of the need to grow the private rented sector, commissioned research nationally to scope and identify barriers to institutional investment in the PRS. The resulting Montague report makes recommendations as to how the sector can be made more attractive to

investors through the use of vehicles such as Real Estate Investment Trusts (REITs).<sup>19</sup> The government has also made changes to stamp duty to benefit institutional investors with large housing portfolios. Harrow Council recognises the long-term investment opportunity offered by the private sector and will review options to encourage institutional investment in the PRS in Harrow, as detailed in the Housing Strategy (2013-2018).

- 38. The Council recognises the importance of developing well-managed and high quality housing within the borough, and will consider the contribution that the PRS can make to affordable housing models in Harrow.
- 39. The Planning Policy Framework (PPF) may provide the scope to increase the supply of market rental properties as a requirement of new housing developments within the borough. A range of potential options will be considered in partnership with Harrow's Planning Services department and the likely impacts modelled to identify whether they would be feasible within Harrow.
- 40. Investing in the right supply of new housing will contribute towards delivering a number of workstreams in the economic development Strategy, "Enterprising Harrow". In particular, this strategy will play a role in facilitating workstreams B, C and H.

# 2. Enable and enforce better housing conditions in the Private Sector

- 41. Decent and well managed private sector housing is vital as it is widely recognised that poor quality housing can negatively impact on many areas of an individual's life, including their mental and physical health and wellbeing, their ability to gain and maintain employment and their educational attainment. This is especially the case for vulnerable households, such as those including children, older or disabled occupants.
- 42. Harrow's specific approach to promoting energy efficiency of private sector properties is discussed under Strategic Aim 4.

#### **Owner Occupiers**

- 43. Since Government funding cuts in 2010, and at the time of writing, the Council is not able to provide financial assistance to owner occupiers wishing to improve the standard of their homes and it cannot enforce property standards in the sector unless they poses a threat to the health and safety of residents.
- 44. Like all local authorities, Harrow has a duty to offer Disabled Facilities Grants (DFGs) for certain adaptations that will allow disabled people to remain in their homes. The Council has no discretion over the way grant aid is paid and the costs of DFGs are split between the Council and Government. In addition to mandatory grants, the Council has the power to offer discretionary financial assistance. Owner occupiers may be eligible for financial assistance from a range of means-test grants. DFGs are discussed further under Strategic Aim 5.

<sup>&</sup>lt;sup>19</sup> Department for Communities and Local Government, 2012

#### **Private Rented Sector**

#### **Grants and Financial Assistance**

- 45. Harrow's "Sustain Tenancy" grant intends to help prevent homelessness arising in the PRS as a result of severe disrepair of tenanted properties. Where landlords so not have the funds to pay for the improvements themselves, the grant provides financial assistance to improve the condition of their property and enables the tenant to remain in their home. In return for a grant (up to £1,500 in 2012/13) the landlord must agree to extend the tenancy period with the existing tenant to a period of two years. If the tenant leaves the property within this period the Council retains nomination rights on the property for the remainder of the two years. Harrow Council made this grant available on a pilot basis in 2012-2013 and will review this scheme for future years.
- 46. Harrow Council will continue to explore the feasibility of new funding opportunities for private sector landlords in order to enable better housing conditions in the sector.

#### **Landlord Accreditation**

- 47. Harrow Council recognises the voluntary London Rental Standard as outlined in the Mayor of London's private rented sector covenant (2012). The covenant introduces a minimum property standard for both private sector landlords and letting agents.
- 48. The London Landlord Accreditation Scheme promotes a better understanding of landlords' roles and responsibilities.<sup>20</sup> Members must prove that they are a fit and proper person to be a landlord and complete training sessions on required housing standards and good management practices. At the time of writing, almost 100 landlords with properties in Harrow are members of the scheme.
- 49. Harrow Council will continue to encourage more landlords to become accredited and will investigate options to incentivise this, where it is consistent with encouraging and developing the PRS in Harrow. The scheme will be promoted through existing channels as well as new avenues, such as local business forums which are being delivered as part of the economic development Strategy, "Enterprising Harrow".

#### Promoting Tenants' Rights and Responsibilities

- 50. The Council recognises the importance of promoting both the rights and responsibilities of tenants in the private sector. This will allow tenants to have more informed conversations with landlords and letting agents about their rights and responsibilities.
- 51. Harrow Council's social letting agency, Help2Let provides information sessions to tenants and potential PRS tenants about their rights and responsibilities. The sessions cover a variety of topics, such as what to do if there are problems in the tenancy or if difficulties with paying the rent, as well as information on utility supplies and tenancy deposit protection. The sessions aim to ensure that tenants are prepared for renting in the PRS and are able to deal with tenancy issues. The desired result is to reduce tenancy breakdowns and homelessness.

<sup>&</sup>lt;sup>20</sup> See <u>http://www.londonlandlords.org.uk/portal/index/</u> for further details on the scheme and its requirements.

Knowledge gained by the tenants during the session is also attractive to landlords who may otherwise be reluctant to take on tenants

- 52. Harrow Council recognises that there is a small minority of lettings agents operating in the borough that deliver a poor service to tenants and landlords. Help2Let will continue to provide a professional and high-quality service to both tenants and landlords, thereby offering an alternative to these agents, and will seek to expand the number of landlords involved in the scheme.
- 53. The Council's consultation exercise has highlighted the importance of private sector tenancies that provide security and stability to tenants whilst also affording flexibility for the landlord. Achieving a satisfactory balance between these can have far-reaching social and economic benefits for both the tenant and landlord. Harrow Council will work with landlords to investigate the introduction of more stable and secure tenancies that still meet landlords' needs.

#### **Private Rented Sector Enforcement**

- 54. The Council's preferred approach is one of enabling higher housing standards rather than enforcement. However, under the 2004 Housing Act and related legislation, local authorities have both legal powers and duties to deal with unsatisfactory housing conditions in the private sector.
- 55. Alongside Harrow's work to promote tenants' rights and responsibilities, the Council will publicise how tenants and landlords can obtain advice and assistance to improve property standards in the private rented sector, including through the Green Deal and ECO schemes described below. This publicity will set out the Council's role in enabling and enforcing standards in the sector.
- 56. The Housing Health and Safety Rating System does not differentiate between tenures and statutory notices can be served on both owner occupiers and landlords to require works to be carried out where unsatisfactory housing conditions (specific category 1 hazards) have been found. In practice the majority of action relates to privately rented properties, in which the Council's preferred approach seeks to enable and encourage landlords to undertake repairs or improvements to benefit tenants. The Council will continue to make full use of its powers to take action against those landlords who clearly and deliberately flout their responsibilities, and will review how this is done to ensure the process remains robust and effective. As part of this, the Council will review the extent of the "beds in sheds" problem in Harrow and respond appropriately.
- 57. Harrow Council has commenced a programme to license all houses of multiple occupation (HMO) in the borough in order to improve standards, and will continue this work under the new Strategy.
- 58. Harrow Council has reviewed its fee structure where it needs to take enforcement action against landlords not responding to informal requests to improve the condition of their property. The new fees will be introduced where the Council issues formal improvement notices, and this would be registered as a charge on the title of the property. It is hoped that this additional charge will deter landlords from non compliance and result in fewer formal notices being served. The impact of this new structure will be carefully monitored and reviewed by the Council.

- 59. Consideration will be given to extending issuing formal notices to cover certain category 2 hazards. This is in recognition that some of the higher level category 2 hazards under the Housing Health and Safety Rating System can significantly impact on the health and safety of residents.
- 60. The Council will continue to review the feasibility of additional options to improve property standards within the private sector, including financial incentives. Under Section 80 of the 2004 Housing Act, the Council may also introduce selective licensing of private rented properties in areas experiencing low housing demand and/or suffering from anti-social behaviour. The Council will investigate these options carefully to ensure they are consistent with encouraging and developing the PRS in Harrow.

#### **Tackling Overcrowding**

- 61. Census data<sup>21</sup> shows that the number of people is increasing far faster than the number of properties within the borough. This may have caused overcrowding of some households, which may become an even more serious issue in future years. The Council will monitor the levels of severe overcrowding and develop measures in response.
- 62. London Councils has revised its guidance on inspections of Bed & Breakfast and other emergency accommodation. This pan-London scheme aims to ensure that accommodation which is being procured and accessed is of a consistent quality and meets agreed standards. Harrow has used this guidance to review and formalise an inspection programme of Bed & Breakfast accommodation and other emergency accommodation in the borough, and is called 'Setting the Standard'.

#### 3. Bring Empty Properties back into use

63. The Council's overarching Housing Strategy (2013-2018) recognises that identifying empty private sector properties and returning them to use is an important way to increase the supply of housing. It is acknowledged that properties can be empty for a variety of reasons, but at a time of high demand, they are a wasted asset. Long-term empty properties can be a blight to local communities by being the focus of antisocial behaviour and vandalism. The Government has made funding available to return empties properties to use. The Council is working to bring empty properties back into use through a range of initiatives and schemes, and will continue to review these schemes to ensure that they are effective.

#### Grants, Incentives and Advice

- 64. In May 2012, a new Council-funded grant scheme called "Repair to Lease" was introduced in response to challenges arising from the housing market and government reform. This scheme aims to encourage more landlords to work with the Council and bring empty properties back into use. The Repair to Lease scheme gives a grant in exchange for full nomination rights to the property for up to three years through the Council's Help2Let scheme.
- 65. In 2012, the West London boroughs jointly secured Empty Homes Programme (2012-2015) funding from the Homes & Communities Agency (whose powers in

<sup>&</sup>lt;sup>21</sup> Office for National Statistics, 2011

London have since been devolved to the Greater London Authority (GLA)). The purpose of the funding is to bring empty private sector properties back into use by offering a grant in return for a lease or nomination rights on the empty property. Harrow has a funding allocation under this scheme and is now working with the other West London boroughs to implement the scheme in 2013/14.

- 66. The Council has reviewed how council tax will be administered for empty properties. There will no longer be any council tax free periods for owners of empty properties, and council tax rates will increase for properties that have been empty for two years or more. These changes will take effect in April 2013 and the Council will monitor their impact.
- 67. Harrow Council will continue to review and improve how empty properties are identified and addressed. It will continue to seek funding that can be used to maximise the number of empty private sector properties brought back into use as affordable housing.
- 68. The Council will continue to offer advice and guidance to empty property owners in order to bring them back into use. Harrow's Help2Lease scheme can also provide management services for owners who are looking to rent out their properties.

#### **Enforcement Powers**

69. The 2004 Housing Act gives local authorities the power to bring problematic long-term empty properties back into use through Empty Dwelling Management Orders (EDMOs) and Compulsory Purchase Orders (CPOs). The Council's preferred option is to work with owners of empty dwellings to bring them back into use; enforcement powers are resource-intensive to implement and are not appropriate in all cases. However, in rare cases of non-cooperation the Council will use its powers to bring these empty properties back into use.

# 4. Meeting the needs of Vulnerable Households living in the Private Sector

70. Individuals with poor health or disabilities can be positively or negatively affected by accommodation and the care and support available to them. In an ageing society, it is important that the needs of vulnerable individuals in the private sector are adequately met and that households are supported to adapt their homes to meet future need. This section outlines how the Council aims to meet these needs.

#### **Home Improvement Agency**

71. The Council's Home Improvement Agency (HIA), has recently been awarded the Quality Mark by Foundations.<sup>22</sup> Through the HIA, mandatory Disabled Facilities Grants (DFGs) are given to qualifying households to make adaptations to their homes. Adaptations such as the installation of level access showers, through-floor lifts or the construction of extensions to provide additional bedrooms allows households to continue living independently in their own homes and reduces the need for costly residential care. Harrow will

<sup>&</sup>lt;sup>22</sup> Foundations is the national governing body for HIAs

continue to monitor and, where necessary, make improvements to this programme.

- 72. DFGs are not awarded to households deemed able to fund the necessary works themselves. However, the Council will consider options to provide assistance to these and other households requiring general home improvements and maintenance.
- 73. The Council's HIA also runs a handyperson service, which is available to households in receipt of income related benefits and aged 60 or over and/or disabled. This scheme provides assistance with basic household repairs and maintenance and the household is only required to pay for the materials used.
- 74. This expanded HIA service will ensure that increased numbers of older, disabled and vulnerable households within the borough benefit from the support offered by the HIA. Harrow Council will also continue to increase awareness of other schemes available to owner-occupiers, including the equity release scheme, so that owner occupiers understand how to manage necessary works to improve their home.

#### **Floating Support**

- 75. Floating support offers varying levels of assistance to help vulnerable households to settle into accommodation, live independently and sustain their tenancies. Floating support often assists people not eligible for statutory services and plays a role in preventing housing need. The Council will continue to monitor the uptake and outcomes of these services.
- 76. There are specialist and generic floating support services available to people for up to two years, which are currently funded through the Supporting People programme. The services achieve good outcomes in helping people sustain their tenancies, but innovative models introduced in other areas may offer lessons that can be learnt for future contracts in Harrow.

#### Housing Options for Vulnerable People

- 77. Harrow recognises that welfare reforms are likely to have a significant impact on vulnerable households in the private rented sector. The Council will evaluate and respond to the impact of the changes on these vulnerable households.
- 78. Under welfare reforms, housing options for those under 35 years of age will be further reduced. Caps on the amount of financial support will be set at the Shared Accommodation Rate, although, for some, shared housing might not be appropriate. The Council has recourse to Discretionary Housing Payments to assist households unable to meet their housing costs. However, demand on this limited funding is great and as such payments will be considered on a case by case basis. This may enable some vulnerable households to access selfcontained accommodation where this would be more appropriate for their needs.

#### 5. Improve energy efficiency and reduce fuel poverty

- 79. Links between cold homes and poor health are well established. It has been reported that in the 2 days following a cold snap there is a large increase in the number of heart attacks, 5 days later there will be a peak in the number of strokes and after 12 days respiratory illnesses reach a maximum and there are indications that people who live in poorly heated homes are at far greater risk. For every degree that the outdoor temperature falls below 18 °C, there are an additional 8,000 deaths reported nationally.<sup>23</sup>
- 80. The Delivering Warmer Homes Strategy (2013-2018) aims to increase the energy efficiency of the housing stock and reduce fuel poverty for low income households.

#### **Improving Energy Standards**

- 81. Guidance issued in June 2012 under the Housing Energy Conservation Act (HECA) requires the Council to establish a programme that will improve the thermal efficiency of all housing tenures. The Delivering Warmer Homes Strategy (2013-2018) will set out the Council's response to the new requirement under HECA and will establish the energy conservation measures that the Council considers practicable, cost-effective and likely to result in significant energy efficiency improvements.. It will set out a programme to reduce fuel poverty for low income households. This is part of the Council's wider Climate Change Strategy.
- 82. Housing in the PRS is often less energy efficient than in other tenures. This is particularly the case at the lower end of the market, where the majority of households are on low incomes and where market forces are less likely to be effective, particularly if higher thermal efficiency leads to higher rents.
- 83. From April 2016 landlords will be expected not to refuse any reasonable request from tenants for energy efficiency measures to be installed in their property. From April 2018 it will be illegal for a landlord to let a property that has an Energy Performance Rating of less than E. This Private Sector Housing Strategy will put in place an upgrading programme to assist landlords to improve their properties in line with this timetable. The Council's empty property grant initiatives can include the installation of energy efficient boilers, and other energy efficiency issues and initiatives will continue to be promoted to landlords as part of this work.
- 84. Harrow will offer advice to private sector landlords and tenants about energy efficiency and the statutory requirements that should be met when letting a property.

#### The Green Deal

85. The "Green Deal" is the government's flagship initiative to improve energy efficiency and reduce fuel poverty. The scheme will work on a 'Pay as You Save' basis, by giving funding upfront to install energy efficiency measures. Households will repay the costs of installing the measures over a long period through their energy bills; under the Golden Rule, repayments must be lower than the estimated saving in energy costs and must not extend beyond the

<sup>&</sup>lt;sup>23</sup> Annual Report of the Chief Medical Officer, 2009

expected life of the installed measures. The Green Deal will be available to both owner occupiers and those living in the PRS.

- 86. As part of the Green Deal, energy companies have an Energy Company Obligation (ECO) to provide energy efficiency measures nationally to the value of approximately £1.3 billion per annum. This will be split into three areas of spending:
  - a. The Affordable Warmth Target (£350m), which will support fuel poor households
  - b. The Carbon Savings Communities obligation (£190m) to support the poorest areas. One of these identified area is in the borough of Harrow.
  - c. The Carbon Reduction Target (£760m), which will subsidise energy efficiency measures, such as solid wall insulation, where payback periods would be excessively long
- 87. Harrow Council will promote the Green Deal to owner occupiers, tenants and landlords in the PRS. The Delivering Warmer Homes Strategy (2013-2018) sets out how the Council plans to access and promote ECO funding to improve the energy efficiency of homes in the Borough.

# 6. Develop new and strengthen existing partnerships to support private sector housing

88. Successfully addressing issues of property and management standards and supply within the private sector rely on the abilities of a number of agencies to work together. The Council plays a key strategic role in bringing together these agencies to share knowledge and good practice and develop a firm evidence base to inform decisions and develop strategies and policies. This will allow issues to be efficiently and effectively identified, prevented and tackled by targeting resources.

#### **Private Sector Strategy Steering Group**

89. A multi-agency steering group has informed the development of this strategy and will monitor its delivery and outcomes, ensuring that the actions set out in this document are achieved.

#### **Engaging Landlords and Tenants in the PRS**

- 90. It is critical that the Council works with landlords and tenants to improve the private rented sector. By seeking their views, the Council may gain a better understanding of how the market works and therefore intervene where issues arise. It will also help the Council to get closer to its customers and understand their needs.
- 91. Harrow Council recognises that barriers exist to PRS tenant involvement, and will work to engage private sector tenants. Harrow facilitated an initial meeting of the Harrow Private Tenants' Forum in Summer 2012. The Overview and Scrutiny report into the 'Private Rented Sector' recommended that meetings of this Forum continue, and the Council will maintain this involvement providing

there is sufficient interest from tenants. The Council will also seek to engage tenants through the provision of advice and guidance.

- 92. The Council holds regular Private Sector Landlords' Forums and Conferences, aimed at making landlords aware of changes in housing policy which could impact them and their business. These will continue to be promoted to landlords with the aim of increasing attendance.
- 93. The positive impact that the Council has made by working with landlords is reflected in the following testimonial from a Landlord

"I work with other Councils too and none of them offer a service as good as this. As far as I can see it is a winner for everyone involved, the landlord, tenant and the Council. I honestly think that this is the way forward and I would be happy to recommend it to anyone. The service is friendly and professional - in fact far more professional in my experience that a lot of private letting agencies. Other Councils offer incentives to landlords to rent their properties to residents on their waiting list, but what good is a couple of hundred pounds to a landlord? If you don't have a good service, good tenants and the backup from the Council, a small cash payment is not going to encourage me."

#### **Sub Regional Working**

94. The Council will continue to work collaboratively with the other West London boroughs to tackle housing issues across local authority boundaries, share good practice, carry out joint service procurement exercises in order to achieve economies of scale and develop joint bids for funding.

#### 7. The Strategy Action Plan

- 95. The action plan that sits alongside this Strategy details what the Council plans to do to address the key challenges outlined in this document.
- 96. The action plan focuses on the outcomes that the Council would like to achieve and shows how we will measure our progress towards these. As part of our planning, we have consulted with, amongst others, residents of Harrow, private sector tenants and landlords and organisations in the voluntary sector.
- 97. Harrow will monitor progress against the stated outcomes regularly. The action plan and strategy will be reviewed each year to ensure that it keeps pace with changing needs.

#### 8. Equality and Diversity

98. The outcomes from the consultation and our Evidence Base have been used to complete an Equalities Impact Assessment on this draft Private Sector Housing Strategy. This is presented in Appendix 3.

# Appendix 1: Comments on recommendations made by the Overview and Scrutiny Committee review of Private Rented Sector housing in Harrow

RECOMMENDATIONS	ACTIONS	BY WHOM AND WHEN
Recommendation A: We recommend that the Council participate in the development of London-wide initiatives that enable councils	Accepted and included in the draft Private Sector Housing Strategy (paragraph 62) and action plan (strategic aim 2).	Jon Dalton, Head of Housing Needs
to share intelligence about the quality and standards of emergency accommodation	The Council will continue to work collaboratively with members of the West London Housing Partnership, London councils and the GLA to tackle housing issues across local authority boundaries, share good practice, and carry out joint service procurement exercises in order to achieve economies of scale and to develop joint bids for funding.	Ongoing
Recommendation B: We recommend that the Council continues to develop means to increase the financial, legal and other risks to landlords associated with deliberately providing sub-standard accommodation	Accepted on the basis this needs to be managed within current and predicted future resources and is included in the draft Private Sector Housing Strategy (paragraphs 54-60) and action plan (strategic aim 2).	
	Also the Council successfully uses the powers afforded to it by the Housing Act 2004 in terms of enforcing property standards within the private rented sector, but at a time when the Council is seeking to try to increase private rented supply, a purely enforcement-based approach could deter some landlords from offering their properties to accommodate homeless households or those needing homes at the lower end of the market. The proposed approach is that the Council continues to make full use of its powers to take action against those landlords who clearly and deliberately flout their responsibilities, but its overall strategic approach is one of	

	enabling and encouraging landlords to make improvements to their properties. Harrow Council's Housing Enforcement Team is currently revising its fee structure in relation to enforcement action against landlords who do not respond to informal requests to improve the condition of their property. It is proposed that a fee be introduced where the Council issues formal improvement notices, (as the power to charge a reasonable amount for certain administrative and other expenses is provided for in the legislation) and this would be registered as a charge on the title of the property. It is hoped that this additional charge will deter landlords from non compliance and will result in a reduction in the number of formal notices served.	Shankar Sivashankar, SM- Licensing, Housing & Support Services by December 2012
	Although under the provisions of the Housing Act 2004 the Council has a legal duty to take appropriate enforcement action (such as serving improvement notices) where properties are identified as having category 1 hazards as per the Housing Health and Safety Rating System (HHSRS), consideration is being given to the extension of formal notices to cover certain category 2 hazards. This is in recognition that some of the higher level category 2 hazards under HHSRS can also have a significant impact on the health and safety of residents.	Shankar Sivashankar, SM- Licensing, Housing & Support Services by April 2013
Recommendation C: We recommend that the Council explores avenues for continuation of the successful leasing of properties from landlords through the Help2 Let model.	Accepted and included in the draft Private Sector Housing Strategy (paragraph 35) and action plan (strategic aim 1). The Help2Let scheme is critical in assisting the Council to meet its homelessness duties. We are considering options that can enhance the offer to landlords and encourage more	Jon Dalton, Head of Housing Needs Ongoing

Recommendation D: We recommend that the Private Sector Strategy be explicitly linked to the Economic Development Strategy. This should reflect the role of housing in facilitating the labour market. This also addresses the future benefit cap, in that households on lower incomes are more likely to be able to retain their accommodation if they are in work. Recommendation E: We recommend the Council consider further initiatives for example through Help2Let, to help promote tenancy sustainability. This will be particularly important for households for whom the Council fulfils its homelessness duty through the private rented sector.	<ul> <li>lettings.</li> <li>Accepted and included in the draft Private Sector Housing Strategy (paragraphs 25-27, 30, 40 and 49) and action plan (strategic aim 1, 2,3 &amp; 6).</li> <li>The link between housing and employment is more important than ever in terms of enabling families to be able to continue to afford to live in Harrow. The Council is considering a variety of options that will create new opportunities and increase the range of employment opportunities for the families that will be hit hardest by the welfare reforms.</li> <li>Accepted and included in the draft Private Sector Housing Strategy (paragraphs 45-52) and action plan (strategic aim 2)</li> <li>For example we will continue to operate through the Help2Let scheme Tenant Training to sustain current tenancies and show landlords that we will support both them and tenants: 220 tenants trained with certificates - very well received and being copied by other Councils.</li> </ul>	Jon Dalton, Head of Housing Needs Mark Billington, Head of Economic Development and Research Ongoing Jon Dalton, Head of Housing Needs Ongoing
<ul> <li>Recommendation F: We recommend that the Council use its best endeavours to encourage higher standards in the private rented sector by considering the following:</li> <li>A landlord 'kitemark' or 'good landlord' scheme, which is branded and promoted locally;</li> <li>A register of landlords;</li> <li>A tenant and landlord 'charter', setting out rights and responsibilities;</li> </ul>	Accepted and included in the draft Private Sector Housing Strategy (paragraph 41-62) and action plan (strategic aim 2). Examples of current initiatives include: The pilot Sustain Tenancy grant is intended to help prevent homelessness in cases where households in the private rented sector become homeless due to the condition of their property, and the landlord does not have the funds to pay for the cost of improvement. In return for a grant of up to £1,500 the landlord must agree to extend the tenancy period with the	Jon Dalton, Head of Housing Needs Shankar Sivashankar, SM- Licensing, Housing & Support Services December 2012 and ongoing

<ul> <li>Developing the 'arbitration' role of the council in bringing together tenants and landlords and identifying solutions;</li> <li>Using enforcement action as a part of the suite of solutions to tackling poor standards.</li> </ul>	<ul> <li>existing tenant to a period of two years. If the tenant leaves the property within this timescale the Council will have nomination rights on the property for the remaining nomination period to house those from the housing register.</li> <li>The London Landlord Accreditation scheme works to ensure that landlords are aware of their roles and responsibilities as landlords in the PRS. Members must prove that they are a fit and proper person to undertake the business of renting and to complete training sessions on required housing standards and good management practices. Work will continue in Harrow to encourage more landlords to become accredited and the scheme will be promoted through existing and new avenues such as local business forums. At the present time almost 100 landlords with properties in Harrow are members of the scheme.</li> <li>Planning Enforcement of substandard living accommodation is addressed in the planning enforcement policy.</li> </ul>	
Recommendation G: We recommend that the Private Sector Strategy include a specific objective to engage with residents living in the private rented sector.	Accepted and included in the draft Private Sector Housing Strategy (paragraph 91) and action plan (strategic aim 6). An initial meeting of the Harrow Private Tenants' Forum was held in Summer 2012 and will be continued where there is sufficient interest from tenants in order to allow tenants within the sector to share their views and have an influence over the future development of housing and new initiatives within the borough. The Council will also seek other ways to engage tenants, such as through focus groups and provision of advice and support.	Jon Dalton, Head of Housing Needs April 2013

Recommendation H: We recommend that an objective pertaining to bringing empty homes back into use be included in future strategy.	Accepted and included in the draft Private Sector Housing Strategy (paragraph 63–69) and action plan (strategic aim 3). Empty properties are a wasted asset at a time when demand for housing is high and bringing them back into use would add to the local supply. Long term empties are blight on local communities and can also lead to antisocial behaviour, such as vandalism which impacts on the surrounding neighbourhood. In the period April 2009 to March 2012, the Council brought around 800 properties back into use through a combination of grant assistance and collaborative working with landlords. For a number of years the Council has offered grant schemes, using Government funding, to private sector landlords to bring empty properties back into use. In April 2012 a new Council funded grant programme was introduced in response to challenges arising from the housing market and government reform, which aims to maintain the commercial appeal to landlords of grant initiatives and to encourage more landlords to work with the Council. We will continue to develop further initiatives and seek to secure funds including using our own capital resources to bring more empty properties back into use.	Alison Pegg/Jane Fernley, Housing Partnerships and Strategy Manager Ongoing
Recommendation I: We recommend that the council include conversion of existing council assets - such as garages - into its objectives regarding bringing empty homes back into use, subject to planning considerations.	Accepted and the detail relating to this is included in the draft Housing Strategy objectives relating to the provision of new housing supply. The Portfolio Holder for Housing is leading on the completion of a Garage Strategy which includes identifying sites that are	Cllr Bob Currie, Portfolio Holder for Housing Elaine Slowe, Housing Enabling Manager April 2013

	no longer needed and will be made available as development sites. The list of sites is currently being prepared taking account of Planning advice and other site constraint information.	
Recommendation J: We recommend that Cabinet undertake an analysis of the risk involved before embarking on increasing the supply PRS in Harrow in the context of the council's debt and other inevitable demands for the council's capital.	Accepted and included in the draft Housing Strategy and draft Private Sector Housing Strategy (paragraphs 32-39) and action plan (strategic aim 1). The need to grow the sector has been recognised in the Government's national housing strategy and research was commissioned nationally to scope the barriers to institutional investment in the private rented sector. The Montague report (published in July) makes recommendations as to how the sector can be made more attractive to investors through the use of vehicles such as Real Estate Investment Trusts (REITs). Locally there may be scope to use the Planning Policy Framework (PPF) to include market rental properties as a requirement of new housing developments within the borough. A range of potential options are being explored by a cross directorate group to identify whether they would be feasible within Harrow. These may require investment by the Council whether in the form of land/capital or a combination of both. Proposals will be reported to Cabinet for approval and will have undergone a thorough risk analysis during the development process and will be included on the appropriate risk registers.	Alison Pegg, Housing Partnerships and Strategy Manager Phil Loveland-Cooper, Head of Corporate Estate Stephen Kelly, Divisional Director of Planning July 2013
Recommendation K: For O&S we recommend that the Standing Review of the Budget consider the policy objectives of the Private Sector Strategy as part of its work in	Not applicable to the Cabinet response	

reviewing the council's use of capital		
Recommendation L: We recommend that the Private Sector Strategy and forthcoming Climate Change Strategy be explicitly linked in order to ensure that tenants in the private rented sector can also benefit from energy efficiency and fuel poverty initiatives.	Accepted and included in the draft Private Sector Housing Strategy (paragraphs 30 and 79-87) and action plan (strategic aim 5) and Climate Change Strategy. New guidance, issued in June 2012 under the Housing Energy Conservation Act (HECA) requires the Council to establish a programme that will improve the thermal efficiency of all housing types, for all residents. The HECA guidance states that the Council must develop and publish a report to the Secretary of State by 31 <sup>st</sup> March 2012 setting out the energy conservation measures that the Council considers practicable, cost-effective and likely to result in significant improvement to the energy efficiency of residential accommodation in the area. Progress reports will then be required at two-yearly intervals. This is a significant challenge to achieve in view of the limited resources available to support it. The Green Deal, which is the government's flagship initiative to improve energy efficiency and reduce fuel poverty, will be introduced in Autumn 2012. The scheme will work on a 'Pay as You Save' basis, where finance is provided to install the measures and households repay the finance through the savings they make on their energy bills. This will be available to both owner occupiers and those living in the private rented sector. Active promoting of this initiative will be important in addressing this challenge.	Andrew Baker, Head of Climate Change Nadeem Din, Housing Strategy and Performance Manager

# Appendix 2 - The Housing Health and Safety Rating System (HHSRS)

The Housing Health and Safety Rating System (HHSRS) is a risk based evaluation tool to help local authorities identify and protect against potential risks and hazards to health and safety from any deficiencies identified in dwellings.

It was introduced under the Housing Act 2004 and came into effect on 6 April 2006. It applies to residential properties in England.

The HHSRS assesses 29 categories of housing hazard, each hazard has a weighting which will help determine whether the property is rated as having Category 1 (serious) or Category 2 (other)

More details can be found on the Department for Communities and Local Government's <u>website</u>.

## Appendix 4



# Private Sector Housing Strategy Action Plan

2013-2018

March 2013

Version 15



## **Action Plan**

#### Strategic Aim 1 – Increase the supply of privately rented accommodation within the borough

	tion	Why	Measurable outcome	Responsible Officers	Target/ Review Date
1.	Consider the contribution that the private rented sector can make to affordable housing models in the borough	To develop potential models to increase the level of good quality, well managed and affordable housing within the borough, including in the private rented sector	To develop potential models for delivery of affordable housing and new build private rented accommodation	Alison Pegg / Elaine Slowe	April 2014
2.	Continue to increase the number of landlords using the Help2Let service	To increase the number of economically realistic properties that are available to homeless households and those threatened with homelessness	To increase the number of properties made available through Help2Let by 15%by target date	Jon Dalton, Bali Rai	April 2014
3.	Work with the Planning Department to explore how the Planning Policy Framework can be used to deliver market rental properties	To identify how the number of market rental properties in the borough can be increased	To increase supply of new- build private rented properties	Alison Pegg / Matthew Patterson / Peter Barron	April 2014
4.	Research and implement a package to incentivise buy to let in exchange for nomination rights (Buy2Lease under Help2Let brand)	To increase the supply of properties in the PRS to which Harrow Council can nominate households in housing need	Implementation of Buy2Lease scheme Up to 45 properties made available to Harrow council through the Buy2Lease scheme in 2013-2014	Jon Dalton	April 2013 April 2014

# Strategic Aim 2 – Enable and enforce better housing conditions in the private sector

Ac	tion	Why	Measurable outcome	Responsible Officers	Target/ Review Date
1.	Promote membership to the London Landlord Accreditation scheme through local forums	To improve property standards and promote professionalism within the PRS	Hold 3 London Landlord Accreditation Scheme training sessions per year	Jon Dalton, Bali Rai	April 2014
2.	Review approach to delivering the Sustain Tenancy grant programme following budget- setting and explore options for new private sector initiatives	To utilise grant effectively to improve the condition of properties in the PRS in order to prevent homelessness	To review and implement new approach by target date.	Jon Dalton / Elaine Slowe	May 2013
3.	Finalise and implement a new Private Sector Housing Enforcement Policy	To set out the approach for bringing property conditions up to HHSRS standard within the PRS, emphasising a co-operative approach with landlords wherever possible	Implementation of the Enforcement Policy by target date Monitor impact of Policy	Shankar Sivashankar, Emmanuel Mfum	Review June 2013 (subject to PRISM)
4.	Implementation of a new fee charging structure for environmental health enforcement action	To encourage landlords to bring their properties up to HHSRS standard	Completion of a pilot of new fee structure and review impact of this on availability of PRS properties.	Shankar Sivashankar, Emmanuel Mfum	June 2013
5.	Promote awareness of tenants' rights and responsibilities in relation to their property standards,	To ensure that residents in Harrow understand their rights and responsibilities, and what services the Council can offer to help private rented sector tenants encountering difficulties	Production of publicity material Deliver 10 tenant information sessions per year	Jon Dalton Shankar Sivashankar,	September 2013
6.	Review feasibility of additional options for improving property	To ensure that a range of options is available to improve property	Recommendations on appropriate actions and	Shankar Sivashankar,	Review June 2013

sector and fir	ards within the private , such as a licensing pilot nancial incentives, and recommendations on the	conditions	improvement of property standards across the Borough.	Emmanuel Mfum	(subject to PRISM)
how in overcr rented	ish procedure to outline istances of severe rowding in the private I sector should be recorded esponded to on a case-by- pasis	To ensure that issues of overcrowding are identified and services are developed in response	Implementation of procedure by target date. Review approach to dealing with overcrowding, for example by offering alternative PRS accommodation.	Shankar Sivashankar	Review June 2013 (subject to PRISM)
inspec accom Standa	alise a programme to the Bed & Breakfast amodation ("Setting the ard") and other emergency amodation in Harrow.	To ensure that minimum standards adopted across London are enabled and enforced in Harrow consistently	Implementation of programme and completion of all inspections by target date.	Shankar Sivashankar, Emmanuel Mfum, Jon Dalton	June 2013
option: accrec consis	ng with partners, investigate s to incentivise landlord ditation, where it is stent with encouraging and oping the PRS in Harrow.	To attract landlords to work with Harrow to become accredited and improve property standards in the Borough as appropriate increasing the number of properties complying with the London Rental Standard.	Completion of a research report and action plan as appropriate	Jon Dalton, Nadeem Din	December 2013
promo stable using r and pr	igate how Harrow can te the introduction of more and secure tenancies, relationships with landlords, roduce recommendations propriate.	To ensure Harrow makes the best use of opportunities to enhance tenancy conditions for PRS tenants, such as through longer tenancies, more transparent rent increases and longer notice periods, in order to improve perceived and real security for tenants in the sector. To reach a balance between tenancy security and landlord flexibility.	The completion of a report outlining options for consideration, and implementation of actions as appropriate.	Nadeem Din, Jon Dalton	April 2014
	nue work to license HMOs the borough	To ensure that minimum standards for HMOs are consistently enabled and	Increase the number of HMOs licensed in the	Shankar Sivashankar,	Review April 2013

	enforced in Harrow	borough	Emmanuel Mfum	(subject to PRISM)
12. Investigate the extent of a "beds in sheds" problem in Harrow and produce recommendations as appropriate	To ensure that households are protected from sub-standard private rented accommodation	Evaluation of the extent of the "beds in sheds" problem in Harrow and recommendations for future action, where appropriate.	Shankar Sivashankar, Emmanuel Mfum	Review June 2013 (subject to PRISM)

	tion	Why	Measurable outcome	Responsible Officers	Target/ Review Date
1.	Maximise the number of private sector empty properties brought back into use through support, advice and empty property grants	Bring empty properties back into use in order to better address housing need in the borough	Bring 45 empty private sector properties into use per annum.	Christine Scott, Elaine Slowe, Marie O'Shea, Jon Dalton, Bali Rai	April 2014
2.	Secure funding opportunities for empty homes grants, including by working in partnership with the West London Housing Partnership, and implement programmes as appropriate.	To bring empty properties back into use and increase the number of properties available to rent	Implement empty homes grant programmes	Elaine Slowe / Christine Scott	May 2013
3.	Monitor the impact of changes to council tax for long-term empty properties and present recommendations to Cabinet on the same	To ensure measures introduced to remove any incentives to owners in leaving properties empty are effective, and to consequently increase the supply of properties in the borough	Complete a review and make recommendations for improvement, if appropriate	Jon Dalton / Lynn Allaker	December 2013
4.	Identify long-term empty properties where enforcement action under the 2004 Housing Act may be required, and take action as appropriate	To ensure that properties are brought back into use where enabling measures are not successful	Identify 10 long-term empty properties and review whether enforcement action is appropriate	Elaine Slowe / Christine Scott	December 2013

#### Strategic Aim 3 – Bring empty properties back into use

## Strategic Aim 4 - Meet the needs of vulnerable households living in the private sector

Ac	Action Why Measurable out		Measurable outcome	Responsible Officers	Target/ Review Date
1.	Continue to monitor uptake and outcome of floating support services to vulnerable, older and disabled households to enable them to remain in their own homes	To ensure appropriate services are available and accessible to those who need them in order to remain independent	available and accessible to those who need them in order to remain of levels of uptake of support across PRS and the		April 2014
2.	Evaluate the impact of Welfare Reform on vulnerable and disabled people in receipt of Local Housing Allowance and make recommendations for further action	To respond appropriately to the wider impacts of the welfare reforms on households, particularly those affected by the Shared Accomodation Rate and those who may be vulnerable or have a disability, and the potential impact on Discretionary Housing Payments	Implementation of actions to mitigate against the impact of LHA changes by target date	Jon Dalton, Jennifer Townsley	July 2014
3.	Continue to monitor performance of the mandatory Disabled Facilities Grant Programme and make recommendations for improvement as necessary	e mandatory Disabledbetween OT referral and granttime of 35 weeks.lities Grant Programme and e recommendations forapproval are minimised, thereby allowing vulnerable people theEvaluation of the		Mick Sheehy	April 2013
4.	Research options to promote private adaptation works and produce recommendations as appropriate for consideration by	To broaden the scope of assistance available to vulnerable households who may require help in appointing contractors to carry out adaptations to	Produce recommendations and action plan on private adaptation works by target date.	Mick Sheehy	December 2013

	Cabinet	their properties			
5.	Increase awareness of services available to vulnerable owner occupiers, such as the handyperson service and equity	To ensure uptake of appropriate services available to older and disabled people, thereby allowing vulnerable people the independence	Develop and implement a communications plan by target date.	Mick Sheehy	April 2013
	release scheme	to remain in their own home	Increase number of calls to the adaptation team by 15%.		April 2014
6.	Complete an evaluation of good practice of floating support schemes introduced in other areas, and make recommendations for future contracts for Harrow	To ensure Harrow remains receptive to innovative models of support, giving vulnerable people the best opportunities to remain independent in their own homes	Completion of evaluation report and implementation of recommendations as appropriate.	Sandie Roberts / Tim Miller	December 2013

# Strategic Aim 5 – Improve energy efficiency and reduce fuel poverty

Ac	tion	Why	Measurable outcome	Responsible Officers	Target/ Review Date
1.	Continue to inspect HMO properties and provide energy efficiency advice to landlords as appropriate	To improve property standards in Borough	Develop appropriate literature to promote awareness of legislation and the services offered by Harrow Council.	Shankar Sivashankar, Emmanuel MFum	April 2013
2.	Provide energy efficiency advice to PRS landlords	<ul> <li>To advise landlords of</li> <li>legal requirement to provide and Energy Performance Certificate (EPC) to new tenants</li> <li>Landlord Energy Saving Allowance to improve thermal efficiency of their properties</li> <li>Requirement to meet minimum EPC target of E by 2018</li> </ul>	Develop appropriate literature to promote awareness of legislation and the services offered by Harrow Council.	Andrew Baker, Jon Dalton	April 2013
3.	Adoption of minimum EPC standard for referrals to the PRS	To use the Council's "purchasing power" to drive the market to improve the energy rating of rented homes within the borough	Establish minimum EPC rating of F where sufficient PRS accommodation is available for households in housing need. Offer energy efficiency advice where allocations are made to 'G' rated properties. Establish minimum EPC rating of E	Andrew Baker, Shankar Sivashankar, Emmanuel MFum, Jon Dalton	April 2015 April 2018
4.	Provision of advice to tenants as to the statutory requirements that a landlord should meet when	To make tenants aware that landlords need to show them a current Energy Performance Certificate (EPC) and a	Develop appropriate literature to promote awareness of tenants' rights	Andrew Baker, Jon Dalton, Nadeem Din	December 2014

	letting a property	Gas Safety Certificate prior to letting. Soft furnishings should comply with 'Kite Mark' regulations.	and responsibility (e.g. via website, CAB and lettings agents). Deliver 10 tenant information sessions per year		
5.	Adopt a policy to use a reported Energy Performance Certificate (EPC) rating of F or G in PRS as a trigger to provide assistance and advice to landlords. Where necessary, and where the tenant agrees, complete a full HHRSR inspection of a home to determine whether a category one hazard exists	An EPC rating of F or G can be an indication that there is category one HHSRS hazard in the property relating to excess cold.	Publication of policy formalising inspections. If this leads to an increase in workload, review inspections. Publication of this trigger to tenants, landlords and letting agents	Shankar Sivashankar	April 2013 (subject to PRISM)
6.	Promote the Green Deal to owner occupiers, tenants and landlords in the PRS	Housing accounts for 66% of carbon emissions in Harrow. Reducing energy consumption in homes is therefore the single most effective measure needed to meet he carbon reduction targets in the Climate Change Act.	Establish a Green Deal provider as a partner to deliver the Green Deal in the borough and produce and implement a communication plan to publicise the Green Deal.	Andrew Baker	June 2013

			Measurable outcome	Responsible Officers	Target/ Review Date
1.	Maintain clear strategic leadership for private sector housing within Harrow, supporting landlords to achieve improvements	To ensure effective joint working of all stakeholders who are involved in the improvement of private sector housing, and to ensure that the aims and objectives included within the Private Sector Housing Strategy are delivered	Quarterly meetings of the Private Sector Housing Strategy Steering Group	Alison Pegg, Jon Dalton, Shankar Sivashankar, Nadeem Din	Ongoing
2.	Continue to work sub regionally with the West London Housing Partnership	To achieve greater efficiencies working towards shared goals within the sub region, and to ensure good practice is shared effectively across partners.	Periodic meetings with the WLHP and development of common approaches, where appropriate. Best use of grant funding opportunities.	Nadeem Din	Ongoing
3.	Investigate opportunities to engage private sector tenants through offering advice and support services and produce recommendations for the same.	To ensure that tenants know how to exercise their rights the PRS within the borough	Focus-groups about specific issues. Communication with tenants about rights and responsbilities	Jon Dalton, Nadeem Din	April 2013 and ongoing to April 2018
4.	Review how tenant information sessions can further improve tenants' understanding of their rights and responsibilities and implement changes as appropriate	To ensure that tenants understand their rights and responsibilities from the beginning of a tenancy and to promote an informed dialogue between tenant and private rented sector landlords. To ensure tenants understand services offered by the Council.	Deliver 10 tenant information sessions per year Investigate feasibility of widening the audience to tenant information sessions	Jon Dalton / Marie O'Shea	April 2014
5.	Improve partnership working with private landlords within the borough	To improve the management and standards of PRS properties within the borough through landlord conferences and forums	Work with and offer advice and support to 100 more landlords per year	All members	April 2014
6.	Maintain working partnership with	To ensure working is joined-up and	At least quarterly updates to	All members	Ongoing

## Strategic Aim 6 - Develop new and strengthen existing partnerships to support private sector housing

departments across the council	that customers can obtain the best	relevant teams on initiatives?	
and publicise any new initiatives	value from services		
to appropriate team			

#### EQUALITIES IMPACT ASSESSMENT ACTION PLAN

Area of potential	ns you plan to take as a result o				
adverse impact e.g. Race, Disability	Action proposed	Desired Outcome	Target Date	Lead Officer	Progress
All	Expand collection and monitoring of equality data for enforcement actions and consider actions as appropriate	Robust monitoring system implemented and service is equally accessible to all groups.	April 2013	Emmanuel Mfum	
All	Expand collection and monitoring of equality data for grants and adaptation work and review services as appropriate	Robust monitoring system implemented and service is equally accessible to all groups.	April 2014	Mick Sheehy	
All	Ensure equalities data is collected as part of the grant application process and review services as appropriate	Robust monitoring system implemented and service is equally accessible to all groups.	April 2014	Elaine Slowe/ Christine Scott	
All	Improve communication about the services that are available to tenants and residents in the private sector.	More accessible services and more informed residents	Review April 2014	Jon Dalton / Shankar Sivashankar	

Age	Investigate and monitor the housing needs of those groups affected by welfare reform.	Potential barriers to housing overcome.	July 2013	Jon Dalton / Jennifer Townsley	
Age, Race	Introduction of affordable warmth measures will decrease the incidence of fuel poverty amongst vulnerable older households.	Potentially reduce the number of excess winter deaths	From April 2013 and ongoing	Andrew Baker	
Disability, age	Handyperson service and equity release products to be promoted by the Home Improvement Agency (only open to households in the older age group).	To enable older persons to live independently within their own home	Review April 2014	Mick Sheehy	
Disability, age	Develop a private works service for those households who are assessed as being able to pay but not entitled to financial assistance	To enable older persons to live independently within their own home	April 2014 (proposals December 2013)	Mick Sheehy	