

Private Sector Housing Renewal Strategy 2007-2011



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Epping Forest
District Council

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INTRODUCTION

The Aim of the Private Sector Housing Strategy

- 1.1 This new Private Sector Housing Strategy replaces the one covering the period 2002 – 2005, and takes into account the significant changes brought about by the Regulatory Reform Order 2002 and Housing Act 2004. It explains how the Council intends to help achieve good quality housing across the private sector – it is the Council's aim that *all* residents should have the opportunity of living in a decent home.
- 1.2 The Strategy looks at the challenges facing Epping Forest in the private housing sector and explains how the Council will consider giving grants or loans to help where properties need repair or improvement. It also explains how the Council will use legal powers to secure improvements where private sector properties fall below minimum standards.

The Framework for Financial Assistance

- 1.3 The Regulatory Reform Order 2002 (RRO) came into force in July 2003. This led to major changes in the way local authorities can give financial help to people to repair or improve private sector homes.
- 1.4 Before the Order, the Government set very clear rules which controlled the way financial help could be given. After the Order, most of the rules no longer apply and councils can now adopt a flexible approach to reflect local circumstances, needs and resources when giving financial assistance. However, Disabled Facility Grants (DFGs) for most types of adaptation work to benefit a person with disabilities remain unaffected and are still mandatory.
- 1.5 To use the greater freedom, the Council has to prepare a formal Private Sector Housing Renewal Strategy and Assistance Policy showing that:-
 - The framework for giving financial assistance is consistent with policies at national, regional and local level;
 - The local priorities the framework is looking to target have been identified from local evidence (such as a condition survey of local private sector housing); and
 - The framework links properly with other local services.
- 1.6 This document consists of the Private Sector Housing Renewal Strategy and the Housing Assistance Policy. It replaces the interim Assistance Policy which has been in place since the RRO took effect.
- 1.7 Now that there is up to date information on the condition of the housing stock following the 2005 House Condition Survey and the 2005 Vacant Properties Survey, the Council is required to look again at private sector housing issues in Epping Forest and to make greater use of the flexibility offered by the RRO.
- 1.8 To ensure that the new policies best suits the needs of Epping Forest, this strategy takes into account:-

- Local private sector housing needs
- The effectiveness of previous policies
- Opportunities within the new framework
- The Housing Act 2004
- Best practice adopted by other councils

1.9 The House Condition Survey showed that, in terms of the Decent Homes Standard, private sector housing conditions in Epping Forest generally compare well with those across England. However, the proportion of vulnerable households (those in receipt of means tested benefit) living in decent homes is 61% which is below the 2006/2007 Government target of 65%.

The Housing Act 2004

1.10 This Strategy was prepared after the new requirements of the Housing Act 2004 came into effect. These provisions include the new Housing Health and Safety Rating System (HHSRS) and a requirement to license higher risk houses in multiple occupation. The HHSRS in particular (described in more detail in Part 3) will lead to significant change and this Strategy sets out how the Council is responding to this.

1.11 The way we give financial assistance will be changed to help make best use of the resources available, including where appropriate helping to release the resources tied up in the equity of private homes.

Why is Good Housing Important?

1.12 Decent homes are important – research shows there are clear links between sub-standard houses and poor health. Damp homes can lead to allergic disease such as asthma, rhinitis and eczema. Cold homes place an additional load on the circulatory system and a recent study by the Joseph Rowntree Foundation showed that heart attacks and strokes increased by over 20% during the winter months. Elderly households with low incomes are at particular risk.

1.13 The condition of a home can also present a serious hazard to its occupants – falls, burns, scalds, exposure to carcinogens such as asbestos and radon, etc. In recognition of this, the Government is now replacing the Fitness Standard with the new Housing Health and Safety Rating System.

1.14 Studies have also shown that the impact of poor housing is not confined to physical effects. Sub standard housing conditions may lead to anxiety, depression and impaired child development, a factor recognised in the new system.

1.15 The Council wants to play an increased role in improving private sector housing to help tackle health inequalities, bringing health benefits to many Epping Forest residents.

Part 1 - Summary

- The Private Sector Housing Renewal Strategy sets out the ways the Council will deal with both offering financial assistance and statutory enforcement in the private housing sector
- The Regulatory Reform Order 2002 was a major agent for change but to use the flexibility local authorities have to produce a detailed, evidence based Private Sector Housing Renewal Strategy and Assistance Policy
- This Strategy takes into account related strategies at national, regional and local level including new powers and duties in the Housing Act 2004
- It also looks closely at detailed evidence on local circumstances and housing needs
- Promoting access to decent homes for all is an important priority – there are strong links between substandard housing and poor health

LINKS WITH OTHER STRATEGIES

National Policies

- 2.1 The 2000 Government Green Paper “Quality and Choice: a decent home for all” was followed by the Housing Policy Statement “The Way Forward for Housing”, which proposed the Decent Homes Standard, a new Fitness Standard based on hazards in the home, and the licensing of higher risk Houses in Multiple Occupation (HMOs). The Housing Act 2004 has now implemented the Housing Health and Safety Rating System, a hazard based system for assessing homes and the mandatory licensing of higher risk HMOs. The Act also contains other important private sector measures, including selective licensing to deal with areas of low demand and compulsory leasing powers to deal with empty homes.
- 2.2 Along with moves to improve housing, the Government brought out its 2003 Sustainable Communities Plan aimed at building cohesive communities, updated in January 2005 with “Sustainable Communities: Homes for All” and a series of regional documents. All emphasise the importance of policy co-ordination by Regional Housing Boards and the strategic role of local councils.
- 2.3 The Decent Homes Standard is a key element of Government policy and is an important benchmark. Appendix D gives detailed information on the Decent Homes Standard. It contains four main criteria – that a dwelling should:
- Be above the legal minimum standard for housing (now being free of Category 1 hazards under the HHSRS – until the 6 April 2006 it was that a property should be fit for human habitation); and
 - Be in a reasonable state of repair; and
 - Have reasonably modern facilities (such as kitchens and bathrooms) and services; and
 - Provide a reasonable degree of thermal comfort (effective insulation and efficient heating).
- 2.4 The first Government target on decent homes dealt with social housing, which should all meet the Decent Homes Standard by 2010. The Government targets for the private sector are that the proportion of vulnerable households (in receipt of income related or disability benefit) living in decent homes should be:
- 65% by October 2007;
 - 70% by October 2011;
 - 75% by October 2021;
 - There should be a year on year increase in the proportion.
- 2.5 The proportion of private sector properties that fail the Decent Homes Standard is estimated at 22.9%, below the national average of 30.1%. However, the post April 2006 figure for the proportion of vulnerable households in decent homes is 61%, below the 2007 Government target of 65%. To achieve this target will involve a greater level of intervention than at present.

- 2.6 The Housing Act 2004 makes a number of important changes to the statutory framework for private sector housing:-
- The existing Fitness Standard and the enforcement system has been replaced by the new Housing Health and Safety Rating System (HHSRS).
 - All higher risk HMOS (3 storeys and/or 5 or more tenants/shared facilities) must be licensed.
 - Various new discretionary powers including the option for selective licensing of private landlords and empty dwelling management orders.
 - Improved rights and an extension of Disabled Facility Grants to park home residents.
- 2.7 The Regulatory Reform Order itself clearly prompts change. Government guidance stresses that those who own homes are responsible for their repair and improvement and the Government sees the equity in many private sector homes as a potential source of finance.
- 2.8 The numbers of local authorities who have moved away from giving financial assistance simply through grants is increasing all the time. Many are using Government backed specialist providers (e.g. the Home Improvement Trust and ART Homes). A range of low cost schemes tailored to the needs of vulnerable households are being offered, with no risk of repossession a key feature.
- 2.9 A recent survey for the Department of Communities and Local Government showed that 55% of the authorities that responded were adopting a mixture of loans and grants and that 22% of authorities were working with a specialist agency on loan packages for vulnerable households. There are, however, significant set up and administrative costs which make such schemes less appropriate to smaller local authorities. Some smaller authorities have formed consortia to overcome this.
- 2.10 The Government also sees home improvement agencies as very important - whether by simply giving advice or guidance, or by practical help, or by helping to arrange finance or supervising work. The Council has provided an agency service since 1991 (Caring and Repairing in Epping Forest – C.A.R.E.) which has worked very successfully and the Council intends to build on this.
- 2.11 Energy efficiency is a key Government concern. The Home Energy Conservation Act 1995 set clear targets for local authorities to reduce energy consumption in British homes, and the Government wants to eradicate fuel poverty by 2016. Thermal comfort is a criterion in the Decent Homes Standard and “excess cold” is one of the hazards covered in the new HHSRS. Both adverse climate change and rising energy prices will increase pressure to improve thermal efficiency of dwellings.
- 2.12 There is also a wider Government health agenda. Part 1 referred to health inequalities and the Department of Health Programme for Action – Tackling Health Inequalities (July 2003) emphasises the link between sub-standard

housing and health. A National Service Framework covering health focuses on promoting older people's health and independence, in particular through integrated intermediate care services with NHS and local councils combining to maximise independent living.

Regional Strategies

- 2.13 Epping Forest is one of 54 authorities in the East of England region, an area with many market towns and no metropolitan areas. The region contains 9 sub-regions, and Epping Forest is one of fifteen district authorities in the London Commuter Belt Sub-Region (LCBSR). Epping Forest is within Essex, one of two counties in the Sub-Region.
- 2.14 Preparation of the East of England Regional Housing Strategy 2005 – 2010 was steered by the Regional Housing Forum on behalf of the East of England Regional Assembly. The Strategy has overarching aims:
- More sustainable (and affordable) housing provision;
 - High quality homes and environments;
 - Creating inclusive communities.
- 2.15 Resources are allocated from the “single housing pot” following the priorities of the Regional Strategy. The Regional Housing Strategy itself fits within the overall Integrated Regional Strategy for the East of England and also has to take account of the draft East of England Plan (Regional Spatial Strategy).
- 2.16 The draft Plan provides for an additional 11,000 homes to be built in Epping Forest over the period 2001 – 2021 at an average rate of 550 homes per year, reflecting the inclusion of Epping Forest District within the London – Stansted – Cambridge – Peterborough Corridor, an area identified by the Government for accelerated growth.
- 2.17 This is at odds with housing provision set in the Essex and Southend-on-Sea Replacement Structure Plan, which called for the provision of 2,400 additional homes in Epping Forest between 1996 and 2011. This target has already been met. The Examination in Public of the East of England Plan ended in March 2006 and the report of the Panel is pending.
- 2.18 Because of the diversity across the Region, Sub-Regional Housing Strategies have been prepared. The London Commuter Belt Sub-Regional Strategy highlights the impact of the closeness of London on affordability, and this is especially true of Epping Forest which borders the Greater London area. The Sub-Regional Strategy lists five priorities: -
- (i) Maximising the delivery of affordable housing;
 - (ii) Developing the intermediate market (shared ownership, equity sharing, etc);
 - (iii) Improving stock condition;
 - (iv) Meeting the needs of vulnerable groups;
 - (v) Achieving social cohesion.

- 2.19 Of these five priorities, the strategy sees the delivery of affordable housing as paramount.
- 2.20 In terms of improving stock condition, the Sub-Regional Strategy sees the following as challenges to meet:-
- Identifying an appropriate and reliable equity release product for older vulnerable people;
 - Developing a network of HIAs based on the Supporting People boundaries;
 - Effective empty homes strategies;
 - Developing links between homelessness strategy and private sector renewal strategies;
 - Developing links with private sector landlords through landlord forums and accreditation schemes.

Local Strategies

- 2.21 This strategy has to link effectively with strategies at County and local level - the Council's own corporate strategies and the strategies developed with local partners. Key amongst these are:
- Epping Forest Best Value Performance Plan (BVPP) 2005 – 2006;
 - Epping Forest District Community Strategy 2004 – 2021;
 - Epping Forest Local Plan Adopted 1998 (Redeposit Local Plan Alterations produced July 2005, outcome of Public Inquiry pending);
 - Epping Forest Housing Strategy 2004 – 2007;
 - Epping Forest Private Sector Housing Strategy 2002 – 2005;
 - Epping Forest Homelessness Review and Strategy 2006 – 2009;
 - Epping Forest Local Supporting People Strategy 2006 – 2010.
- 2.22 Both the Council's Best Value Performance Plan and the Community Strategy aim to provide a District with safe, decent housing that meets the needs of those who want to live in the District. In particular, both focus on the provision of affordable housing as a key priority.
- 2.23 The need to provide more affordable housing is also a key theme in the Local Plan. As the Essex and Southend-on-Sea Structure Plan target of 2,400 additional homes 1996-2001 has already been exceeded, the Redeposit Plan makes no additional provision for housing land. However, the Local Plan does note the 'massive shortfall' between the estimated need for affordable housing identified by the 2003 Housing Needs Survey (1,169 homes per year) and the expected supply of 527 such homes per year, a difference of 642 homes per year.

- 2.24 Because of this, the Plan states that the Council will seek the provision of up to 50% affordable housing where applications for residential housing come forward. Development will be concentrated on previously developed land (target 70%).
- 2.25 The Housing Strategy itself outlines the Council's approach to meeting current and future targets and sets the provision of more affordable housing as a key housing priority. Another key priority is the eradication of the use of bed and breakfast accommodation for homeless persons, and both the Housing Strategy and Homelessness Strategy point to private sector leasing as a way for the private sector to assist in providing temporary accommodation.
- 2.26 With regard to the private sector, the Housing Strategy sets out a number of key actions:
- Maintaining a high level of financial assistance to households meeting the Council's priority criteria
 - Undertaking a major review of the financial assistance policy
 - Undertaking a stock condition survey to inform the strategy and financial assistance policy review
 - HMO licensing
 - Action to deal with empty homes
 - Survey of park home sites
- 2.27 The stock condition survey has now been completed along with a survey of vacant dwellings and park home sites, HMO licensing is being implemented and this Strategy deals with all of the other key actions.
- 2.28 The Supporting People programme is particularly relevant to this strategy as it deals with support to vulnerable groups such as those with disabilities and older people to promote independent living. Supporting People in Essex is overseen by Essex County Council but local delivery is directed through the Local Core Strategy Group, with representatives from the Epping Forest District Council, local Social Care, the Primary Care Trust, voluntary sector, Probation Service, etc.
- 2.29 The Supporting People Grant contributes approximately one third of the running costs of C.A.R.E., the Council's home improvement agency, and the strategy emphasises the importance of its current role and its evolving role in the future.

Part 2 - Summary

Government Priorities

- Targets for the numbers of vulnerable households in decent homes, licensing of higher risk HMOs, implementing new HHSRS, tackling empty homes, increasing energy efficiency.
- Restructuring mechanisms for giving financial assistance, bringing in private finance through equity release and promoting the role of HIAs.

Regional Housing Strategy

- More sustainable and affordable housing, high quality homes and environments, creating inclusive communities.

East of England Plan (draft)

- 11,000 new homes at 550 per year 2001 – 2021, with more affordable housing (outcome of Public Examination awaited).

LCB Sub-Regional Strategy

- Maximise the delivery of affordable housing.
- Improving stock condition.
 - Identifying an appropriate and reliable equity release product for older vulnerable people
 - Developing a network of HIAs based on the Supporting People boundaries
 - Effective empty homes strategies
 - Developing links between homelessness strategy and private sector renewal strategies
 - Developing links with private sector landlords through landlord forums and accreditation schemes.
- Meeting the needs of vulnerable groups.

BVPP 2005 – 2006 & Community Strategy

- Provide safe, decent housing that meets the needs of those who want to live in the District, in particular the provision of more affordable housing.

Epping Forest Local Plan

- Existing target for provision of new housing land has been met
- Concentrate development on previously used sites
- Maximise provision of affordable housing through use of Town and Country Planning Act S.106 agreements

Epping Forest Supporting People

- Promoting continued independent living for vulnerable groups
- Support for the HIA role

Epping Forest Housing Strategy

- Secure more affordable housing
- Develop and implement a revised Private Sector Housing Strategy
 - Maintaining a high level of financial assistance to households meeting the Council's priority criteria
 - Undertaking a major review of the financial assistance policy
 - Undertaking a stock condition survey to inform the strategy and financial assistance policy review
 - HMO licensing
 - Action to deal with empty homes
 - Undertaking a survey of park home sites

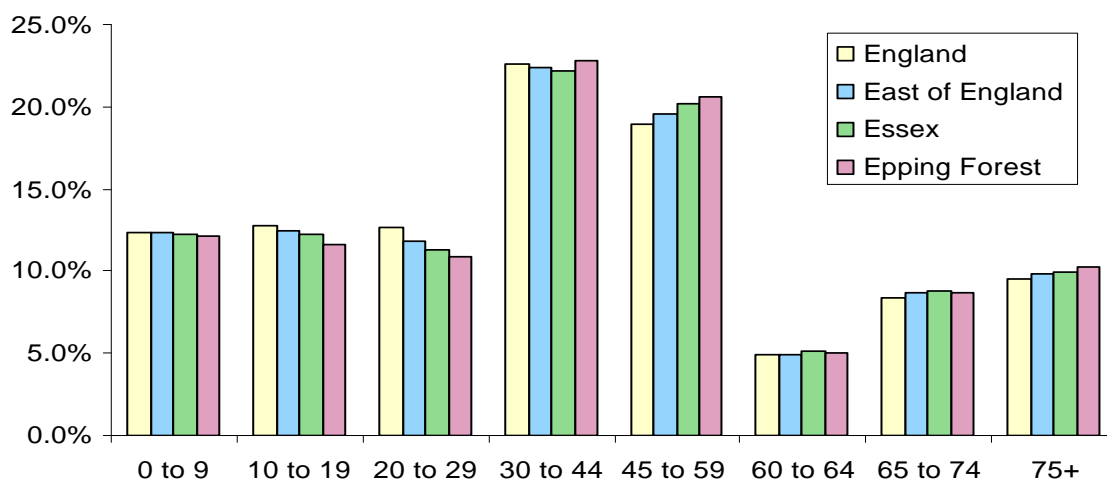
3.0 EPPING FOREST - THE LOCAL CONTEXT

Location and Population

- 3.1 Epping Forest lies just north of the Greater London conurbation in southwest Essex. The District has an area of 339 square kilometres (131 square miles) and the 2001 census gave its population as 120,896. The most recent figures from the Office of National Statistics indicate that the population mid 2003 was 121,000.
- 3.2 Although its southern boundary is only 10 miles from the centre of London, the District is still a mix of rural and urban land, with 94% in the Metropolitan Green Belt (the highest proportion in the East of England). The District has five main centres of population which are either suburban in character or market towns - Epping, Waltham Abbey, Chigwell, Buckhurst Hill and Loughton. Over 70% of the population live in these five main centres. There are numerous smaller settlements, including large villages such as Roydon, Nazeing, North Weald, the Market Town of Ongar and Theydon Bois.
- 3.3 The District has excellent transport links (both road and rail) with the capital and with the rest of the country. Both the M25 and the M11 pass through the District. However, public transport links within the District, particularly east/west, are much less satisfactory.
- 3.4 The proximity to London and the good transport links combined with the attractive countryside and distinctive market towns and villages make the area extremely popular, with consequences for the affordability of housing. There has been considerable pressure for development, resisted because of the extensive Green Belt. However, following the inclusion of Epping Forest District within the London – Stansted – Cambridge – Peterborough Corridor, the pressure is likely to increase.

Table 1 – Age Profile of Population

3.5 The graph below shows the age profile of the 2001 figures:-



Source: Census 2001

- 3.6 The population is broadly similar to the national, regional and county profiles. Epping Forest does have slightly smaller proportions of children and people under 29 years but greater numbers of people between 30 to 59 years. The proportion of people over 60 years is greater than both the national and regional averages.
- 3.7 Figures taken from the population projections for the period 1991 - 2011 given by Essex County Council (based on 1991 ONS predictions which allow for mortality, births and migration) indicated an overall population of 119,000 by 2011, an estimated fall of 0.5% (this does not take into consideration the East of England proposals).
- 3.8 The projections are broken down further into age bands. Falls in all age groups below 44 are anticipated (12.4% for those 30 – 44 years). However, the proportion of people aged 45 – 65 is expected to rise by 6.4% and those aged 65 years and over by 8.8%. Those over 65 are projected to represent 18.7% of the population in 2011. The growth in older households does have implications for this Strategy as it is likely to mean an increase in the number of households requiring assistance to maintain, improve or adapt their homes.
- 3.9 The 2001 Census showed the ethnicity profile of Epping Forest resembles more closely the national profile than the East of England as a whole, with 8.8% of residents describing themselves as non-white compared with the national figure of 8.7%. The East of England figure is 4.9%. One unusual feature of Epping Forest is the profile by religious background. 3.1% of people gave their religion as Jewish, compared with 0.5% nationally. This is the tenth highest proportion of people of the Jewish faith in England and Wales, and the second highest in the region.
- 3.10 Transient populations are a distinctive feature of the locality, associated with seasonal horticulture. This is an issue for this Strategy as transient populations are frequently housed in very poor accommodation.
- 3.11 The 2005 House Condition Survey included information on household type:

Table 2 – Household Type

Household type	Epping Forest 2005		EHCS 2001
Adult group (3+ adults)	4,480	10.2%	7%
Lone Adult	4,670	10.6%	12%
Lone Older	6,300	14.3%	15%
Single Parent	1,060	2.4%	8%
Traditional Family	11,440	26.0%	24%
Two Adults	16,010	36.4%	34%

Figures do not add up to 100% due to rounding

- 3.12 The most notable differences with the national position are the higher proportions of two adult and adult groups and the lower proportions of single parents and lone adults.

Local Economy

- 3.13 Many jobs are in the service sector, finance and public service and the area has many small businesses rather than major employers. Agriculture and horticulture remain significant. The good transport links have led to the growth of distribution centres.
- 3.14 Many indicators suggest that, at first sight, Epping Forest is an affluent area. As well as local workplaces, the District is very close to London and nearly 62% of Epping Forest residents obtain work outside the District. The ONS Annual Population Survey figures for April 2004 – March 2005 show that the employment rate in people of working age in Epping Forest was 80.1% compared with the regional average of 81.6% and national figure of 78.3%. The unemployment rate (same source) was 3.5% in Epping Forest compared with 3.8% in the Region and 4.8% nationally.
- 3.15 The same figures show that 45.3% of people working do so in a managerial, professional or technical capacity compared with 42.5% in the region and 41.4% nationally. The figures suggest a District more prosperous overall than both the East of England Region and the national average.
- 3.16 The 2004 Index of Deprivation puts Epping Forest as of average affluence compared to other local authority areas. It ranks 22nd out of 48 local authority areas in the East of England and 234th out of 354 local authority areas in England (1 being the most deprived). However, there are pockets of deprivation, notably the Shelley and former Paternoster wards that are in the 10% most deprived wards in the East of England.

Housing Market

The Epping Forest Housing Context

- 3.17 The 2005 Epping Forest House Condition Survey estimated there to be approximately 50,800 dwellings in Epping Forest. The table below shows the estimated proportions of the different tenures in Epping Forest given in the 2005 report along with comparisons from the English House Condition Survey 2001.

Table 3 - Housing Tenures

Housing Tenures in Epping Forest – House Condition Survey 2004		
Sector	Epping Forest	England & Wales
Owner Occupied	79%	70%
Privately Rented	5%	10%
Local Authority	13%	13%
RSL (Housing Association)	3%	7%

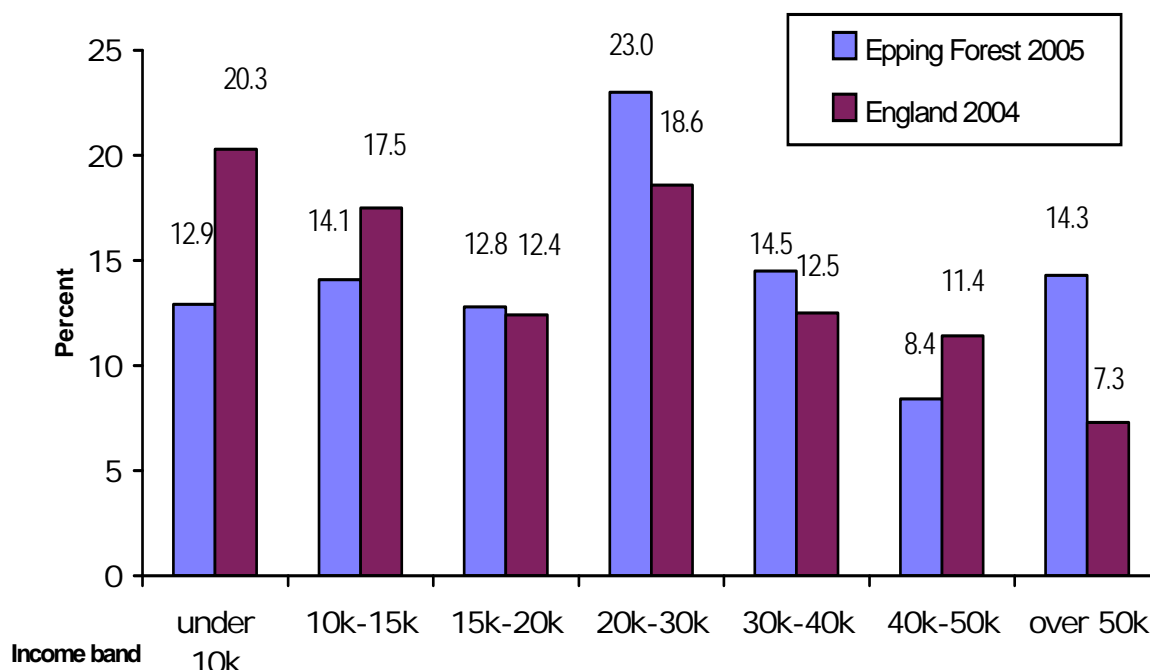
Source: Epping Forest House Condition Survey 2005

- 3.18 The proportion of publicly rented stock is 4% lower than the proportion nationally and there are fewer privately rented properties. The proportion of owner occupied properties is significantly higher at 79% than the national average of 70%. The information on tenures from the 2001 Census varied from the condition survey information - the Census also put the proportion of owner occupied homes at 75%. The proportions of rented property were broadly similar but 3% of properties were described as 'other'.
- 3.19 The Census also showed that 31.9% of properties in Epping Forest were owned by their occupiers outright (no mortgage) compared with 29.5% nationally. This is relevant when considering the possibility of using equity release mechanisms.
- 3.20 Detail on issues such as build type, age, stock condition etc is given later.

Affordability – Household Incomes, House Prices and Rental Values

- 3.21 Affordability of houses revolves around two main issues – the cost of purchase or renting and typical household incomes.
- 3.22 The 2005 House Condition Survey gathered information on household incomes. Responses from residents are given below, along with a comparison for all England taken from the 2003/04 Family Resources Survey by the Department for Work and Pensions (DWP).

Table 4 - Household Incomes



Source: Epping Forest House Condition Survey 2005

3.23 The condition survey also looked at average weekly incomes by tenure:

Table 5 – Average Weekly incomes

Tenure	Epping Forest 2005	General Household Survey 2003
Owner-occupied	£570	£450
Privately Rented	£524	£333
Housing Association	£258	£176

Source: *Epping Forest House Condition Survey 2005 and GHS 2003*

3.24 The most recent direct national comparisons are from the General Household Survey 2003 (which includes Scotland and Wales). The figures again indicate that incomes are higher than national averages both in terms of weekly averages and the greater proportions of households with incomes in the middle and upper bands.

3.25 However, in terms of affordability these figures have to be looked at in the context of both house and rental values. In addition, whilst the proportions of lower income households are less than those nationally, it must also be noted that 39.8% of households have an income below £20k per annum.

3.26 The 2003 Housing Needs Survey undertaken by David Couttie Associates on behalf of the Council showed clearly that many lower income households are excluded from the housing market because of high prevailing house and rental values.

3.27 Land Registry data for the average price for all dwellings in Epping Forest District at the time of the Housing Needs Survey was around £251,080. House prices had risen by 88% since the previous housing needs survey in 1998. The Land Registry figure based on sales January – March 2006 had risen to £297,130, a further 18% since 2003. The Epping Forest average house price is second only to Brentwood in Essex.

3.28 At the time of the Housing Needs Survey, the largest volume of sales in the Epping Forest District were for semi-detached houses (27.9%) selling at an average price of £248,080. Flats averaged £160,010 and accounted for 27.2% of sales. The Survey took flats to be the main access property for first time buyers, in view of their lower cost and high volume of sales.

3.29 In practice, entry level prices are generally lower than the average prices. The survey noted that access prices for 1 bedroom flats were typically £18,200 less than the District average of £125,700 and for 2 bedroom terraced houses the difference was £20,500. In 2003, this meant that, using standard guidance on deposits and lending ratios, the income required to buy a 1 bedroom flat ranged from £30,100 to £48,650 (costs vary across the District) and for a 2 bedroom terraced property from £43,550 to £64,000.

3.30 The Housing Needs Survey also showed that rents in the privately rented sector also present a major challenge to potential new households. The table below shows typical annual entry rental levels and the household income thresholds required to meet the rent:

Table 6 - Incomes Necessary to Meet Property Rentals

Property Type	Typical Entry Level Rent (per annum)	Household Income Per Annum
1 Bedroom Flat	£6,600	£26,400
2 Bedroom Flat	£8,100	£32,400
3 Bedroom Terrace	£8,640	£34,560

Source: *Housing Needs Survey (DCA)*

3.31 The Housing Needs Survey also considered actual household incomes in all housing tenures and noted that in the privately rented sector, 24.8% of households had a household income below £10k per annum. 49.0% had incomes between £15k - £30k per annum, with a further 11.0% having an income between £30k - £40k. By contrast, 54.7% of Council tenants and 42.5% of Housing Association tenants had incomes below £10k per annum. With low income households, housing benefit will generally be payable.

3.32 The Housing Needs Survey looked at the views of households seeking to move within Epping Forest and in particular at the needs of 'concealed households' - those living within an existing household and seeking to form an independent household. Affordability is of overriding importance to concealed households. The Survey concluded that concealed households have a very low preference for the privately rented sector, with only around 6% able to pay rental levels sufficient to access one and two bedroom flats and a further 5% able to afford property types excluding larger semi-detached houses and detached houses.

3.33 Another issue is the question of Housing Benefit and Income Support – the assessment found some evidence that landlords were reluctant to accept potential tenants requiring Housing Benefit. In reality, in the absence of Housing Benefit, access to the privately rented sector may require household resources not far short of that needed to enter the owner occupied market.

Housing Pressures – The Need For Affordable Housing

3.34 The costs of buying and renting in the private sector have worked as another factor putting greater pressure on the supply of publicly rented accommodation. In addition, there have been increases in the number of housing applications.

3.35 Homelessness remains a significant issue in Epping Forest. The number of approaches per year has risen each year from 470 in 2002/2003 to 500 in 2004/2005. The number of cases where a full housing duty is owed has increased from 145 in 2002/2003 to 202 in 2005/2005. The trend is expected to continue. Around 60% of homeless people in priority need require one bedroom properties.

- 3.36 Of particular relevance to this Strategy has been the success of the Fresh START scheme, a private sector leasing scheme run in partnership with the East Thames Housing Group. The ETHG leased 10 properties (now 20) from private sector landlords which were then sub-let to homeless households with ETHG providing support and the Council paying a fair management fee.
- 3.37 Aside from cases where the full duty is accepted, there are also many cases where the duty extends to giving advice and assistance only (in particular with young people). In practice, many of these people may seek to become tenants in privately rented accommodation.
- 3.38 To determine the overall need for affordable housing the Housing Needs Survey used a model which, in broad terms, looked at the backlog of existing need (people in unsuitable housing and unable to afford to move) and projections for newly arising need from newly forming households and homelessness cases. From this was subtracted the actual supply of affordable units in recent years from rented properties coming empty. This showed there to be an estimated shortfall of 642 affordable dwellings per year.
- 3.39 As referred to above, the reposit Local Plan currently makes no provision for new housing land but the outcome of the Public Examination into the draft East of England is still awaited and may impact upon this. The Council in the past has used agreements made under Section 106 of the Town and Country Planning Act 1990 to secure the provision of a proportion of affordable housing when granting planning permission for residential developments. As stated earlier, policies under the reposit Local Plan call for up to 50% affordable housing under future Section 106 agreements.
- 3.40 Included within the Housing Needs Survey was an assessment that over 4,500 households have a mobility problem and that 61% of wheelchair users do not live in an adapted dwelling, with clear implications for this Strategy.

Summary of Housing Market & Implications for Private Sector Housing Renewal Strategy

- 3.41 In short, it is clear that there is still a strong housing market in Epping Forest with both high house prices and high rental values. The high prices reflect the closeness of London, the good transport links and the easy access to attractive countryside. Although the area appears reasonably affluent with above average income levels, there are pockets of deprivation. However, even the higher overall income levels do not offset the effect of the high house prices and affordability is a serious issue – Epping Forest has the 2nd highest price/income ratio in Essex.
- 3.42 Realistically, present constraints mean that the Local Plan cannot provide for the numbers of affordable dwellings the recent Housing Needs Assessment suggests are required.
- 3.43 Although the affordability issues are primarily concerns for the main Housing Strategy and the Local Plan, the market forces and general housing pressures in Epping Forest do have impacts on the private housing sector. Both prospective owner occupiers and private tenants may be more prepared to accept poor

conditions through necessity. Owner occupiers having just bought may be unable to commit any funds to essential repairs and/or improvements.

- 3.44 The high prevailing rent levels in the privately rented sector mean that in practice the cost of renting even for entry level properties starts to approach the cost of purchase. The recent Housing Needs Survey indicates that many “concealed” households cannot afford to consider the privately rented sector because of rent levels and landlords are reluctant to consider potential tenants requiring housing benefit. These are factors increasing applications for publicly rented housing.
- 3.45 There are an estimated 2,500 privately rented properties and this is a potential resource that may be able to assist in providing affordable housing. Part 5 of this Strategy sets out the ways the Council intends to work more closely with private landlords to promote accessibility to good quality rented housing.

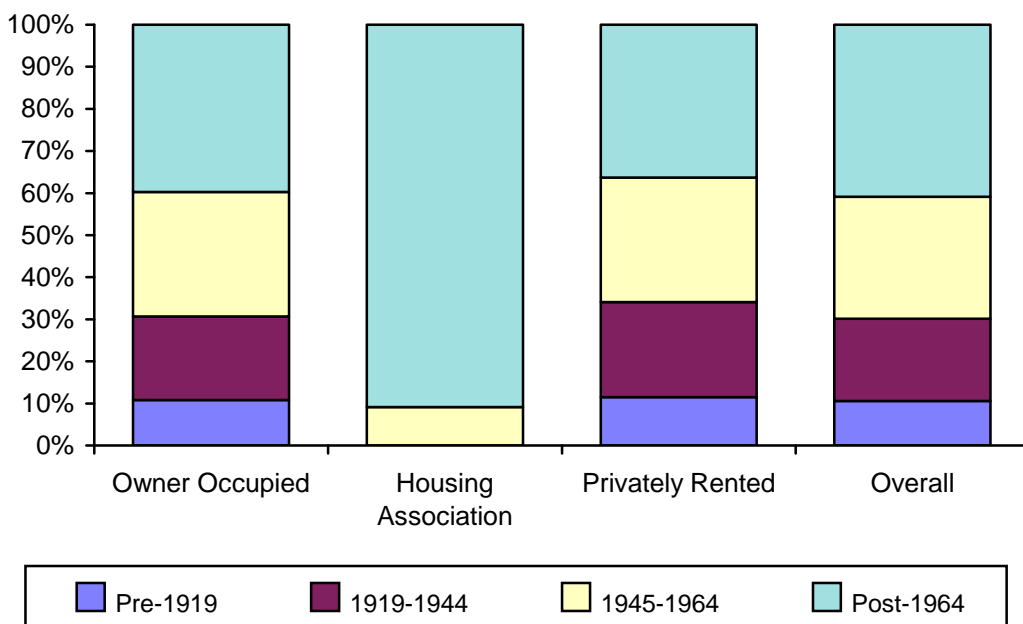
The Epping Forest House Condition Survey

- 3.46 Stock condition surveys are carried out to give an accurate picture of housing conditions in a district using a representative sample of properties chosen at random. The overall results are analysed to give a database illustrating housing issues – housing hazards, fitness, disrepair, compliance with Decent Homes Standard, etc, along with information on social issues.
- 3.47 The Government carries out a national stock condition survey every year now with the English House Condition Survey (EHCS). The results are used to measure progress against Government housing targets such as the Decent Homes Standard.
- 3.48 A General House Condition Survey was carried out on behalf of Epping Forest Council in the last quarter of 2005 with a sample of 750 dwellings. The previous condition survey had been undertaken in 2001. In addition, a further survey was carried out in 2005 covering 171 vacant properties.
- 3.49 The main factors looked at when surveying the physical condition of a dwelling are:
- The existence of significant hazards (‘Category 1 hazards’) under the HHSRS,
 - The minimum standard to make a dwelling reasonably suitable for occupation (the “housing Fitness Standard”),
 - Repair,
 - Thermal insulation and heating system,
 - Any adaptation work required if there is a disabled resident.
- 3.50 Although the Housing Fitness Standard has now been replaced by the HHSRS, fitness is still a useful yardstick of housing condition and the findings on fitness from the 2005 House Condition Survey will be considered. The meanings of ‘fit for human habitation’ and ‘Category 1 hazard’ are given later in this Part.

Profile of the Private Sector Stock

- 3.51 The House Condition Survey estimated that there are 43,970 dwellings in the private sector (including 1,260 RSL homes). Only 11% of the stock was built before 1919 compared with 21% nationally, and 29 % of stock was built in the immediate post war period compared with 21% nationally. This reflects in the better than average figures for properties meeting the Decent Homes Standard.
- 3.52 There are more detached houses than nationally and also more purpose built flats. Conversely, there are slightly lower proportions of semi-detached houses and terraced houses and significantly fewer converted flats.
- 3.53 With tenure, as described earlier the proportion of owner occupied properties is higher than the national average and the proportion of privately rented properties below the national average.
- 3.54 The table below compares the age profile with the tenure and shows clear differences between the tenures. The profile of the owner occupied stock most closely resembles the overall profile as it accounts for 85% of private sector dwellings. It is usual to find high proportions of older stock in the privately rented sector. Epping Forest differs, with over 66% of privately rented homes built post war. The publicly rented stock has 91% of dwellings built post 1964 and no pre-war homes.

Figure 1 - Tenure and Age Comparisons



- 3.55 With occupancy type, most homes (79%) are occupied by single household groups and are also occupied as built. Flats (converted, purpose built and above shops) account for 19% of the stock. The remaining 2.0% are HMOs, the national figure for which is now taken as 2.6%).
- 3.56 The general House Condition Survey estimated there to be 1,250 empty homes in Epping Forest (2.8% of the stock compared with the national average of 3%).

Of these vacant properties, the majority are likely to be empty because of market activity and are awaiting new owner occupiers or tenants. However, the survey did find an estimated 490 dwellings (1.1% of the stock) which had been vacant for 6 months or longer. These properties could usefully be brought back into use.

- 3.57 The detailed findings in the additional Vacant Properties Report confirmed the outline findings in the general Survey and were used in formulating the Council's Empty Homes Strategy referred to later.
- 3.58 The table below sets out the summary findings of the general House Condition Survey:

Figure 2 - Summary of House Condition Survey Findings

Characteristic	Owner Occupied	Housing Assn	Privately Rented	All Private Sector Stock	English House Condition Survey
Dwellings	40,240	1,260	2,470	43,970	18,400,000
<i>Per cent of private sector stock</i>	91.5%	2.9%	5.6%		
Category 1 Hazards	2,950	0	450	3,400	-
<i>Rate</i>	7.4%	0%	18.2%	7.8%	
Unfit	1,640	0	260	1,900	750,000
<i>Rate</i>	4.1%	0%	10.5%	4.3%	4.2%
Non decent (HHSRS)	9,590	110	850	10,550	
<i>Rate</i>	23.8%	8.7%	34.4%	24.0%	30.1%
Decent & vulnerable occupier	4,550	n/a	400	4,950	5,800,000
<i>Rate against number of vulnerable households.</i>	58.1%	n/a	57.8%	58.1%	32%
In Fuel Poverty	1,300	121	366	1,800	2,200,000
<i>Rate</i>	3.2%	9.6%	14.8%	4.1%	12%
Mean SAP	57	59	52	58	58

Source: Epping Forest House Condition Survey 2005 (Above figures have been rounded)

- 3.59 It is clear that the condition of housing stock in Epping Forest is broadly comparable with the national averages in condition indicators. Unfitness just above the 2001 national figure and Category 1 hazards at 7.4% are in line with initial findings from the 2003 EHCS of 7.8%.

- 3.60 The proportion of properties failing the Decent Homes Standard (using the Housing Fitness Standard) is lower than the national rate of 30.1%. However, the rate rises to 24.0% when the Housing Health and Safety Rating System is used (no national comparator available). In addition, as will be shown, the proportion of vulnerable households living in decent homes is below the Government target for 2006/2007.
- 3.61 The energy efficiency figures compare well with national comparators, with 4% of households in fuel poverty compared with 12% nationally and with the mean SAP rating (a measure of the energy efficiency of an individual dwelling on a scale between 1-120) at 58 above the most recent national figure of 51.
- 3.62 The findings will now be looked at in more detail to establish the priorities in terms of Decent Homes Standard (unfitness and HHSRS, disrepair, reasonable facilities, energy efficiency/thermal comfort), disability adaptations and houses in multiple occupation. These terms are explained below and also in Appendices C – F.

The Decent Homes Standard

- 3.63 Part 1 described the four criteria (A-D) of the Government's Decent Homes Standard. The detail of the Standard is set out at Appendix D:
- 3.64 The House Condition Survey report drew the strands of the Decent Homes Standard together in analysing the data on unfitness, disrepair, thermal comfort and amenities. The overall finding was that, using the Fitness Standard as Criterion A, 10,100 dwellings (22.9%) are not decent, compared with the national average of 30.1%. Using the absence of Category 1 hazards as Criterion A, the number of non decent dwellings rises to 10,550 (24.0%).
- 3.65 The table below shows the reasons for failure of the Standard:

Table 7 – Reasons for Failure of Decent Homes Standard

Reason	Dwellings	Per cent (Of non-decent) HFS	Per cent (Of non-decent) HHSRS	Per cent (Stock)	Per cent (Stock) EHCS 2003
Category 1 Hazard	3,400	34.1%	32.6%	7.8%	4.2%
Unfit dwellings	1,900	18.9%	18.0%	4.3%	n/a
In need of repair	4,300	43.0%	41.0%	9.8%	8.8%
Lacking adequate facilities	2,300	23.1%	22.1%	5.3%	2.4%
Poor degree of thermal comfort	6,100	60.2%	57.5%	13.8%	26.3%

Source: *Epping Forest House Condition Survey 2005*

- 3.66 As is usual, most failures are for poor thermal comfort. The rate in Epping Forest at 13.8% is almost half the national average of 26.3%. Whilst the rate of failure for lacking adequate facilities is higher than the national average, it is not a significant issue.

3.67 The chart below shows the rate of failures of the Standard by tenure, build type and age:

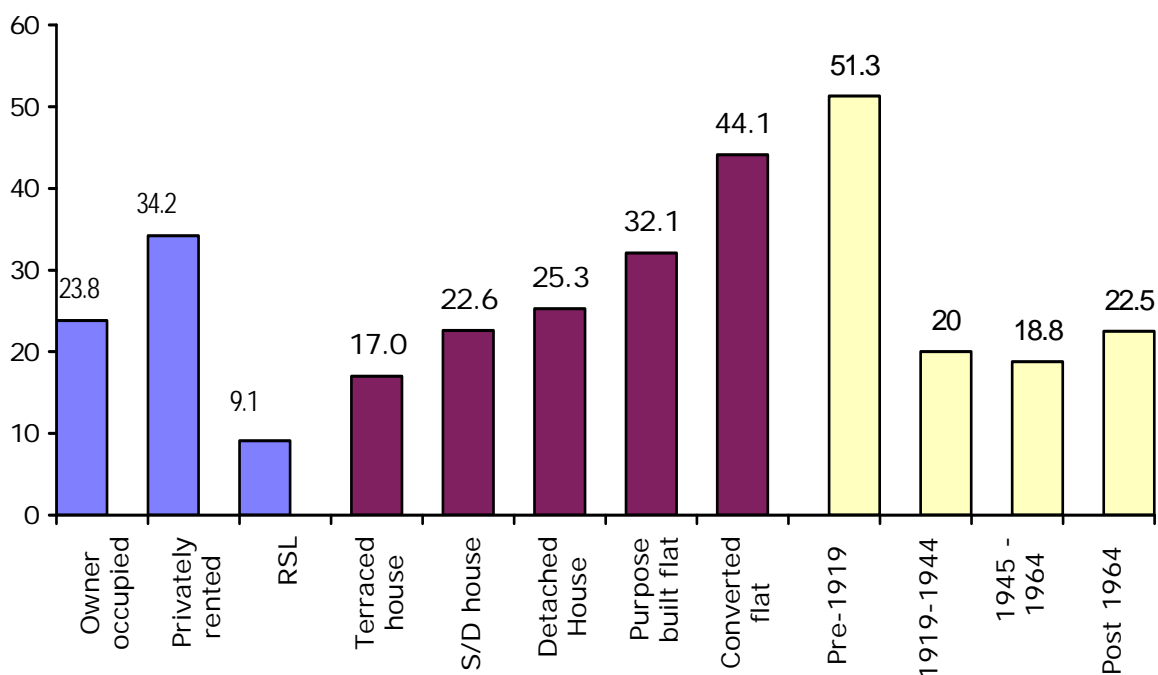


Figure 3 – Non Decency by Tenure, Build Type and Construction Date

3.68 By tenure, the rate in privately rented properties is significantly higher than in the owner occupied sector. By build type, as with other indicators the highest rate is in converted flats (with the high rate in purpose built flats associated with thermal comfort failures in properties where the heating is not by mains gas). With construction date, the highest rate is in pre-1919 properties. The higher rate in post 1964 properties is associated with thermal comfort failures in some flats.

3.69 As stated in Part 2, the Government has set targets for the proportions of vulnerable households living in decent homes. The first target is 65% to be achieved by 2006/2007, followed by a target of 70% by 2010/2011. The survey found the proportion of vulnerable households living in decent homes to be 58.1%. This is below both Government targets with a shortfall of 590 homes for the 2006/2007 target and a shortfall of 1,020 homes or the 70% target in 2010/2011.

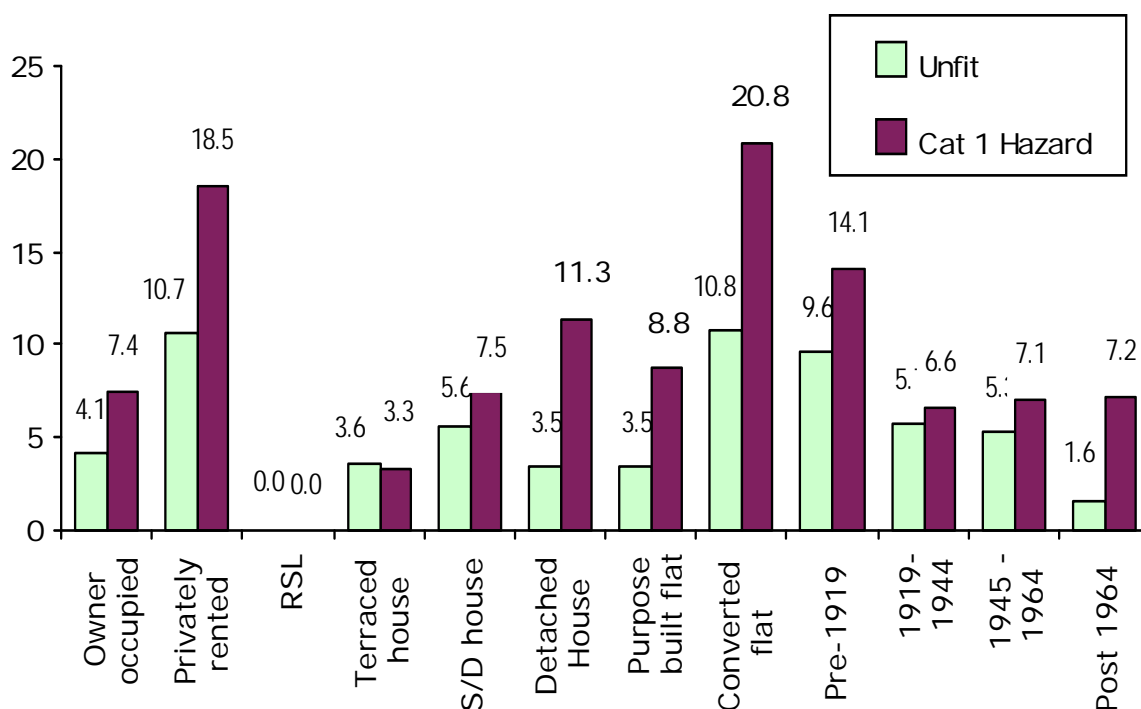
3.70 The Survey also estimated that the total cost of work just to remedy the failing items in non decent homes (2010 target) at £51 million, an average cost per dwelling of £4,800.

Unfitness and the Housing Health and Safety Rating System

3.71 Until 6 April 2006, the Fitness Standard was the lowest acceptable standard for housing in England and Wales. It has now been replaced by the new Housing Health and Safety and Rating System. As well as being the former lowest acceptable housing standard the Fitness Standard was also Criterion A of the Decent Homes Standard. Criterion A is now the absence of Category 1 hazards.

- 3.72 The Fitness Standard was defined in Section 604 of the Housing Act 1985. In order to be reasonably suitable for occupation, a house had to meet nine requirements relating to repair, stability, freedom from damp, lighting, heating, ventilation, water supply, facilities for the preparation of food, bath/shower, WC and drainage (see Appendix E).
- 3.73 Although the standard has now been replaced, some results from the House Condition Survey will be looked at as the Fitness Standard remains a good indicator of property condition and is still used in the EHCS.
- 3.74 The Fitness Standard focused on the physical condition of the property (disrepair, dampness, stability, amenities, etc). The HHSRS concentrates on assessing the potential hazards that a dwelling may present to potential occupiers and visitors of a property (i.e. not just actual occupiers at the time of the inspection).
- 3.75 As previously with unfitness, a local authority has a mandatory duty to take statutory action to deal with a Category 1 hazard. With Category 2 hazards, an authority has a discretionary power to statutory action. In Part 5 this Strategy sets out guidelines on how Epping Forest will use statutory action under the HHSRS.
- 3.76 The overall level of unfitness is 4.3% (estimated 1,900 dwellings), just above the English rate of 4.2% (2001 EHCS). The rate of Category 1 hazards is 7.8% (estimated 3,400). The main reasons for unfitness in Epping Forest are failures associated with disrepair, food preparation and bath/shower facilities (as nationally). The incidence of dampness is significantly below the national average. The figures for Category 1 hazards are dominated by excess cold and falling on stairs and steps (initial findings show this applies across the country).
- 3.77 The differences in approach mean it is common for there to be no direct 'overlap' i.e. not all unfit dwellings automatically have Category 1 hazards and vice versa. In Epping Forest, the overlap is 24% - of the 3,400 dwellings which have a Category 1 hazard, only 800 also fail the Fitness Standard. This means that there are an estimated 2,600 further dwellings where the Council now has a duty to take action. This will present a challenge to Epping Forest, as it will to local authorities across the country.
- 3.78 The chart below shows the incidence of unfitness and Category 1 hazards by tenure, age of property and property type:-

Figure 4 – Category 1 Hazards and Unfitness by Tenure, Age & Property Type



Source: *Epping Forest House Condition Survey 2005*

- 3.79 Looking at first at tenure, both Category 1 hazards and unfit are highest in the privately rented sector, as is usual across the country. The zero rates in housing association properties reflect the fact that 91% were built post 1964.
- 3.80 With property type, again as expected the highest rate for both unfit and Category 1 hazards is found in converted flats. With age, the highest rates for unfit and Category 1 hazards are found in pre-1919 properties.
- 3.81 The House Condition Survey showed clear associations between unfit and residents on low incomes, benefit receipt older heads of household. .
- 3.82 The survey also showed slightly different associations with Category 1 hazards. The highest rate of Category 1 hazards was found where the household income was between £15k and £20k per annum. There were also links with benefit receipt, older heads of household and where there was a person with a disability.
- 3.83 The survey estimated the total cost of remedying Category 1 hazards to be £6.6 million at an average cost per dwelling of £1,900. The total cost of comprehensive repairs (no further work required for 10 years) was estimated at £28.7 million (average cost per dwelling £8,300).
- 3.84 The average costs just to remedy Category 1 hazards are significantly higher in privately rented dwellings but the comprehensive costs are not.

Disrepair

- 3.85 Criterion B of the Decent Homes Standard is that a dwelling should be in “reasonable repair”. The survey looked at the cost of repairs simply to remedy

breaches of the Decent Homes Standard on the Repair Criterion and also at the cost of repairs to all dwellings whether they meet the Standard or not.

- 3.86 The survey estimated the cost just for repair works to meet the Decent Homes Standard at £16.3 million (£3,400 per dwelling) and the comprehensive cost for the same dwellings to be £57m (£12,100 per dwelling). Both the average costs just to remedy repair failures and comprehensive costs are higher in privately rented dwellings.

Reasonably Modern Facilities

- 3.87 Criterion C of the Decent Homes Standard is the requirement for 'reasonably modern facilities'. 5.3% of the stock failed on this criterion, which is roughly twice the national average of 2.4%. However, it is still a relatively small proportion of the stock and whilst the House Condition Survey did find that there were fairly high proportions of older kitchens, bathrooms and boilers, it is unlikely that the number of properties failing on this criterion will rise significantly.

Energy Efficiency and Thermal Comfort

- 3.88 Criterion D of the Decent Homes Standard requires that properties provide a reasonable degree of thermal comfort. Inadequate thermal comfort is the most common reason for private sector homes failing to meet the Decent Homes Standard. 14% of properties of Epping Forest failed the Decent Homes Standard on the thermal comfort criterion.
- 3.89 The survey found the total cost of remedying thermal comfort failures to be £8.3 million (average cost per dwelling £1,400). Of this cost, £4.5 million would be to install effective heating at properties with room heaters only.
- 3.90 The condition survey also assessed dwellings to give Standard Assessment Procedure (SAP) ratings. The rating is a single figure between 1 – 120; the higher the figure the better the thermal comfort. The better the standard of thermal insulation and the better the efficiency of the heating system the higher the score. The higher the inherent cost of fuel the lower the score (solid fuel and off peak storage radiators score much lower than mains gas central heating).
- 3.91 The House Condition Survey found the average across Epping Forest was 58. The most recent figure from the 2003 EHCS is 51. Only 4% of dwellings have SAP ratings below 30 compared with the national figure of 9% and only 4% with SAP ratings below 20 compared with 5% nationally. These figures reflect the higher proportion of newer dwellings.
- 3.92 The lowest SAP ratings were found in the privately rented sector (52), in detached houses (53) and in pre-1919 properties (58).
- 3.93 As well as responsibilities in terms of decent homes, the Council also has a duty to promote energy efficiency under the Home Energy Conservation Act 1995. The House Condition Survey looked at the costs of providing the following energy efficiency measures, where needed, to all properties whether or not they met the Decent Homes Standard:
- Loft insulation to 200mm
 - Upgraded hot water cylinder insulation

- Double glazing
 - Installation of high efficiency boiler where none present
 - Full central heating where none present
- 3.94 Works were required in varying degrees to 92% of the stock at a total cost of £84 million (average cost per dwelling £1,900). The great bulk of the works required were loft insulation (to 75% of properties) and cavity wall insulation (to 51% of properties).
- 3.95 Fuel poverty is a major Government priority. A household is said to be in fuel poverty if more than 10% of net income is spent on domestic energy costs. The survey found an estimated 1,800 dwellings (4.1%) where fuel poverty existed. The 2001 national figure was 11%. There was a marked difference between tenures – 14.8% of households in the privately rented sector were in fuel poverty compared with 3.2% in owner occupied dwellings.
- 3.96 The total cost of eradicating fuel poverty in the owner occupied sector was put at £2.2 million. As many of households will be eligible for grant aid through the Government's Warm Front scheme, the survey also estimated the cost of works where the 430 households (1%) were not Warm Front eligible and put the cost at £600k (£1,500 per dwelling).
- 3.97 Another target identified by the Survey were the estimated 1,780 dwellings not in fuel poverty but with mean SAP rating below 30. The total cost of works here was put at £6.4 million (£3,600 per dwelling).
- 3.98 Part 5 will set out the Council's proposals to improve energy efficiency and thermal comfort.

Disabled Facility Grants

- 3.99 In the past 5 years expenditure on Disabled Facility Grants has increased progressively and in 2005/2006 reached £385k (including £15k discretionary grants).
- 3.100 The general house condition survey looked at the potential demand for disability adaptations to inform this Strategy. An estimated 8,900 dwellings (20.3%) have at least one resident with a disability. The need for adaptations was found in an estimated 3,000 of these dwellings (6.8% of the stock) with an estimated 6,760 adaptations needed overall at a total cost of £12.2 million.
- 3.101 The Housing Needs Survey also highlighted the numbers of residents with mobility problems. Clearly there is a large potential demand and Disabled Facility Grants will continue to occupy a major proportion of the capital allocation.

Houses in Multiple Occupation

- 3.102 Section 257 of the Housing Act 2004 introduced a much broader definition of "house in multiple occupation" – in particular it now includes converted buildings with only self contained flats where the conversion work does not meet the standard of 1991 Building Regulations and where more than one third of dwellings are let on short tenancies.

- 3.103 The Survey estimated there to be 890 Houses in Multiple Occupation (2.0% of the stock compared with the national average of 2.6%). Because of the small proportion of HMOs, the condition survey could not break down the information any further with statistical confidence, although this strategy has already mentioned the higher rates of non decency, unfitness and Category 1 hazards in converted flats.
- 3.104 The Survey estimated that around 60 of the HMOs in the District would require mandatory licensing under the Housing Act 2004. However, on closer inspection, there may be less than 30 licensable HMOs in Epping Forest. Part 4 of this Strategy looks at the current enforcement procedures relating to HMOs in Epping Forest.

Part 3 - Summary

Local Context

- Epping Forest is a District made up of individual settlements with a rural/urban mix (94% Green Belt) close to London.

Population

- The proportions of people aged 30 – 59 years and those aged over 60 years are both higher than national and region averages.
- There will be significant increase in the proportion of people over retirement age.
- The ethnicity profile shows slightly less people from a non-white background than the national profile.

Economy

- Active local economy based around service industries, finance and the public service.
- 62% of people work outside District (adjoins Greater London).
- General indicators (relatively higher incomes, low unemployment, high proportions of people in managerial, professional or technical capacity) indicate reasonable affluence but there are pockets of deprivation in the Shelley and former Paternoster wards).

Housing Context – Prices, Housing Pressures, Affordability

- Epping Forest has more owner occupied properties and less privately rented properties than the national average.
- Both house prices and rental values are high and although overall incomes are high Epping Forest has the second highest affordability ratio in Essex.
- The Housing Needs Assessment showed a shortfall of 642 affordable dwellings per year.
- The Redeposit Local Plan does not make any provision for new housing land but does seek substantial provision for affordable housing in new housing developments.

- The Private Sector Housing Renewal Strategy can assist in easing the shortage of affordable housing through promoting access to homes in the privately rented sector through constructive working with private sector landlords - e.g. initiatives such as private sector leasing

Private Sector Housing Conditions

- The numbers of properties failing the Decent Homes Standard is less than the national average but the proportion of vulnerable households in decent homes is less than the 65% 2007 target set by the Government (shortfall 590 properties).
- The most common reason for failure of the Decent Homes Standard is poor thermal comfort
- The rate of non decency is significantly higher in the privately rented sector, in converted flats and in properties built pre-1919
- The total cost across the District for work just to remedy failures of the Decent Homes Standard is £50.8 million at an average cost per dwelling of £4,800.
- The rate of unfitness at 4.3% is just above the national rate of 4.2%.
- The rate of Category 1 hazards is 7.8%.
- Due to the limited overlap between fitness and Category 1 hazards, there are an additional 2,600 dwellings where the Council will have a duty to consider action.
- The incidence of both unfitness and Category 1 hazards is highest in the privately rented sector, in converted flats and in pre-1919 properties.
- The total cost of works just to remedy Category 1 hazards is £6.6 million at an average cost per dwelling of £1,900. The total cost of comprehensive works to such properties (no further work required for 10 years) is £28.7 million (average cost per dwelling £8,300).
- The total cost of works just to remedy failures of the repair criterion of the Decent Homes Standard is £6.6 million at an average cost per dwelling of £1,900. The total cost of comprehensive works to such properties (no further work required for 10 years) is £28.7 million (average cost per dwelling £8,300).
- The average cost per dwelling of works to remedy repair failures of the Decent Homes Standard is highest in the privately rented sector.
- The total comprehensive cost of repairs to all private sector dwellings (whether decent or non decent) is £228 million at an average cost per dwelling of £5,800. The average costs are highest in the privately rented sector, in pre-1919 properties and in purpose built flats (because of large maisonettes).
- The proportion of properties failing the modern facilities criterion of the Decent Homes Standard is above the national rate but there is unlikely to rise significantly.
- The total cost to remedy failures of the thermal comfort criterion of the Decent Homes Standard is 8.3 million at an average cost per dwelling of £1,400.

- The mean SAP rating in Epping Forest at 58 is comparable with the national figure. The proportion of properties with SAP ratings below 30 and below 20 is lower than the national figures.
- Mean SAP ratings are lowest in the privately rented sector, in detached houses and in pre-1919 properties.
- The total cost to upgrade insulation and heating systems to all properties across Epping Forest would be £84 million (average cost per dwelling £1,900)
- 4.1% of households were in fuel poverty (national average 11%). The rate of fuel poverty was significantly higher in the privately rented sector.
- The cost of works to eradicate fuel poverty where households are not eligible for Warm Front grant aid is £600k (average cost per dwelling £1,500).
- The cost of works to properties not in fuel poverty but where the SAP rating is below 30 is £6.4 million (average cost per dwelling £3,600).
- Adaptations to benefit persons with disabilities are likely to be necessary in 3,000 dwellings at a total cost of £12.2 million.
- There are an estimated 890 Houses in Multiple Occupation (2.0% of the stock). An estimated 60 HMOs are eligible for mandatory licensing.
- There are an estimated 1,250 empty homes (2.8% of the stock, below the national average of 3%). An estimated 490 dwellings have been empty for more than 6 months.

4.0 CURRENT POLICIES AND WORKING ARRANGEMENTS

4.1 This Part of the Strategy looks at what Epping Forest Council does at the moment to improve private sector housing conditions. It also looks at best practice elsewhere. The types of action available fall into three main categories:

- Informing, advice and specialist support
- Financial assistance
- Enforcement.

Informing, Advice & Specialist Support

Housing Renewal Service

4.2 The responsibility for private sector housing functions rests with the Environmental Health Group of Environmental Services. This includes the C.A.R.E. HIA.

4.3 As well as dealing with the financial assistance procedures and statutory enforcement referred in the next sections, the group gives informal advice where applicants are not eligible for assistance. Advice includes trial assessments of financial circumstances to indicate eligibility for grant and possible contributions.

4.4 The main role of C.A.R.E. is to manage grant aided schemes on behalf of vulnerable applicants. However, where people are not eligible for grant aid, C.A.R.E. Officers will give advice on how to tackle housing issues.

4.5 The Agency also operates a Handyperson Service offering direct assistance with minor, low cost jobs for householders of pensionable age. The costs are recharged to the household, but are free where the householder is in receipt of benefit. Contractors from the Agency's Preferred List are used for the work. Part of the cost of a caseworker to administer the Service is funded by Essex County Council and the District Council provides a £10k annual budget for the work.

4.6 The Government sees home improvement agencies playing an important and expanding role in housing renewal. The next section looks at the option of bringing in private finance through loan and equity release schemes and the Council anticipates that C.A.R.E. will play an expanding role in this.

Working With Landlords

4.7 The last section of this Part will look at the enforcement role – housing standards are set by law and the Council does have the power and in some cases the duty to take legal action against the owners of sub-standard property. However, whilst there are some occasions where using legal powers is appropriate, the Council (in accordance with its enforcement policy) believes it is better to work on an informal, constructive basis with landlords and formal statutory action in recent years has been limited.

4.8 As was clear from Part 3 of this Strategy, the lack of affordable housing is a major issue. The Council feels that the privately rented sector can play an important role in helping to address this. Many local authorities operate

Landlords Forums. These give an opportunity for landlords and Council Officers to meet and exchange information on legal standards and on best practice. This is an opportunity that Epping Forest wants to consider.

- 4.9 Local authorities increasingly use accreditation schemes. Here, advice and assistance is given to both landlords and tenants and properties are inspected by agreement to check they meet proper standards. Epping Forest does not have an accreditation process at the moment but recognises that accreditation schemes could play a positive role in helping people find good quality private sector rented accommodation.
- 4.10 The deposits required by landlords are often a major obstacle to potential tenants. The Council works with the Epping Forest Housing Aid Committee which runs a Deposit Guarantee Scheme. It provides private landlords with rent deposit guarantees for applicants who are in housing need and are unable to raise the deposit themselves. The Council now underwrites rent guarantees up to £10k at any one time. In the longer term, the Council will consider whether to link the Rent Deposit Scheme with the accreditation of privately rented homes.
- 4.11 Private sector leasing is an area where the Council has made significant progress with its Fresh START scheme in partnership with the East Thames Housing Group. Under this arrangement, East Thames currently lease up to 20 properties from the private sector and rent them to Council nominees (particularly homeless households).
- 4.12 The rent paid to the owner is below full market value (landlords have the security of guaranteed income and effective management) and the Council pays East Thames a management fee. The scheme has proved very successful in providing temporary housing to households in housing need.
- 4.13 The Council has been successful in a bid with four partner authorities in the London Commuter Belt Empty Homes Forum for funding to renovate sub-standard empty homes. The funding is from the Government Office for the East of England will cover 100 properties (which potentially equates to 20 properties per partner). Officers are now working on arrangements to put the scheme into practice.

Energy Efficiency

- 4.14 Currently Epping Forest relies mainly on directing people to the Government's Warm Front scheme and, where people do not qualify, to the Essex Energy Efficiency Advice Centre. The Council intends to expand the role of C.A.R.E. and create links with the Environmental Co-coordinator in giving energy advice.

Financial Assistance

- 4.15 Financial assistance can mean a grant and/or a loan, or offering financial advice. In Epping Forest, financial assistance has generally been both client based (focusing on older households) and theme based (disrepair, home safety and thermal comfort for Home Repairs Assistance, unfitness for Renovation Grants and mandatory help with aids and adaptations).

Grants

- 4.16 Prior to the Regulatory Reform Order, when the national grant framework was still in place, the Council offered discretionary Home Repairs Assistance and Renovation Grants as well as mandatory and discretionary DFGs. The Council continued to give these grants with some modifications under the Interim Policy effective from July 2003.
- 4.17 In practice, whilst the new Home Repairs Assistance was the same in broad terms as the grant under the statutory framework, the maximum grant figure has been reduced. There is however, no requirement to repay the grant if the property is disposed of before a set time.

Home Repairs Assistance

- Maximum grant generally £2,000 but £5,000 in exceptional circumstances.
- Applications may be made by owner occupiers and private sector tenants responsible for their own repairs. Mobile homes and house boats are included in some circumstances.
- Generally only persons over 60 years are eligible, unless the work is for insulation and/or to allow a person over 60, disabled or infirm to be cared for.
- Applicants must be in receipt of a means tested benefit.
- Eligible works are works of repair (not improvement) to keep the basic fabric of dwelling wind and weatherproof and protect occupants against imminent danger plus crime prevention measures and insulation work.

Renovation Grants

- Maximum grant generally £20,000 and only available for properties that are unfit for human habitation.
- Applications may be made by owner occupiers and private sector tenants responsible for their own repairs. Applications may be made by landlords in certain circumstances. Mobile homes and houseboats are not eligible.
- The Disabled Facilities Grant statutory test of resources applies to owner occupiers and qualifying tenants to determine the amount of grant payable. Landlord grants are calculated on the principle of 'notional increase in rental value'.
- Three years residence required for owner occupiers and qualifying tenants with exceptions for empty properties and first time home buyers.
- Generally only persons over 60 years are eligible, although others are considered in exceptional circumstances.

- The property must be at least ten years old and within Council Tax bands A – E.
- Applicants have to provide a Certificate of Future Occupation for a period of 5 years and the grant is repayable if the Certificate is not complied with.
- Eligible works include:
 - Works to make property fit for human habitation.
 - Works to improve fire precautions in HMOs.
 - Works to comply with a statutory notice served on a landlord under the Housing Act.

Disabled Facilities Grants (DFGs)

- The majority of adaptation works are still statutory and the Council has no discretion over the way grant aid is given and the amounts paid.
- Maximum eligible expense £25,000 (test of resources applies except now for children).
- Eligibility and the works to be done are based on recommendations from Occupational Therapists.
- Discretionary DFGs may be given in exceptional cases such as:
 - Where the cost of the work exceeds £25,000.
 - For non eligible works such as forming a kitchen extension to allow an existing kitchen to be used as a bedroom.

4.18 All discretionary grant aid has only been given subject to funds being available and there has been significant pressure on the budget available in recent years. The spend pattern over the past 4 years has been as follows:-

Table 8 - Spend On Housing Renewal Assistance From 2000/01

Assistance Type		2001/02 £K	2002/03 £K	2003/04 £K	2004/05 £K	2005/06 £K
DFGs	Mandatory	158	190	197	245	380
	Discretionary				6	15
Home Repairs Assistance		102	104	74	62	78
Renovation Grants		76	92	86	71	16
Total		336	386	357	384	489

4.19 A consistent theme has been the progressive rise of expenditure on DFGs. Findings from both the House Condition Survey and the Housing Needs Survey show that this rise is likely to continue. The cap on the 60% Government subsidy for Disabled Facility Grants was set at £144k in 2005/06 and this has been reduced to £126k for 2006/07.

- 4.20 C.A.R.E. now manages 90% of all DFGs and 90% of all other grant applications. A fee of 10% of the job cost is charged for DFGs and Renovation Grants and 5% on Home Repairs Assistance.
- 4.21 At the present time there is no waiting list for Home Repairs Assistance or for Renovation Grants. The Council has not recently publicised the availability of these discretionary grants because of the impact of the increased number of applications for mandatory DFGs has had on both financial and staffing resources.
- 4.22 Now that the Council has a better information base, it wants to look at wider options for giving financial assistance. The recent announcement by the Government Office for the East of England (GO-East) of a capital grant of £447k for 2006/07 aimed at improving non decent homes occupied by vulnerable households (and those with families) will also assist greatly in allowing the Council to increase the scope of financial assistance to deal with unsatisfactory housing.

Loans & Equity Release

- 4.23 The Government policy is clear that prime responsibility for maintaining and improving residential accommodation should rest with its owner. Government guidance prompts local authorities to look at ways of offering financial assistance other than just grants and many are now doing so.
- 4.24 Public sector capital resources are constrained but with prevailing high house prices there is significant potential for bringing in private sector finance. A household may have a low income but can have substantial equity in its property – older households in particular can be “equity rich but cash poor”. In practice, however, low income households may have considerable difficulty in obtaining a commercial loan and rates may be expensive.
- 4.25 Local authorities remain free to give direct loans after the Regulatory Reform Order and some are continuing to do so. Loans count against the capital allocation in the same way as grants but the loan is eventually brought back into the capital programme when paid back some years in the future. Loans may be interest free or carry interest. Increasing the time period for grant conditions (for example to 15 years) can operate in much the same way as giving interest free loans.
- 4.26 However, giving direct loans in this way does not bring any new funding into the overall capital budget. There have been recent developments in particular with the development of Government backed not for profit specialist lenders. Examples are the Home Improvement Trust and ART Homes, both of which offer specialist loans aimed at releasing equity in properties.
- 4.27 Financial products which release equity in a property have existed for many years. Commercial products have been criticised in the past because of concerns over their suitability for low income households and possible repossessions. Set up and administration costs have also tended to be expensive. New rules to regulate equity release products (applying to both

commercial and not for profit organisations) have now been introduced by the Financial Services Authority.

- 4.28 The second phase of a recent study by the Centre for Urban and Regional Studies at Birmingham University commissioned by DCLG and the Joseph Rowntree Trust showed that 55% of responding authorities had adopted combined grants/loans packages. 29% were doing this from their own resources, 22% working in partnership with specialist providers and the rest through direct negotiation with private finance providers.
- 4.29 Many authorities are now adopting a new flexible approach to combine advice, and the offer of specialist loans and grants. This can range from simply giving advice, to guiding an applicant to a high street provider, through to offering a mixture of specialist loan and grant. In some cases where the household is unable to make any contribution a straight grant is offered.
- 4.30 The issue of set up costs, however, does tend to act as a barrier to implementing equity release schemes, particularly with small loans. There are the general administration costs, the costs of ensuring proper independent advice is given and the legal costs (including registering a charge to protect the loan). It is an area regarded as high risk by commercial providers. Not for profit specialist lenders require a significant annual contribution whether the service is used or not.
- 4.31 Epping Forest has not offered any form of loan assistance towards home repairs/improvement in recent years. The Council now recognises that there are potential benefits in the equity release approach in making best use of scarce resources. However, for a small local authority the set up costs are a major obstacle.
- 4.32 One way to offset the problem of set up costs is to collaborate with neighbouring authorities – one example is the Wessex Reinvestment Trust with 10 authorities in partnership in the South West of England. The possibility of collaboration on equity release by the 15 authorities in the London Commuter Belt Sub Region is specifically mentioned in the Sub-Regional Housing Strategy. The Council's proposals for moving towards equity release are set out in the next Part.

Enforcement

- 4.33 Under the Housing Acts and related legislation, local councils have both legal powers and duties to deal with unsatisfactory housing conditions in the private sector. Statutory notices can be served on both owner occupiers and landlords to require work to be carried out or in extreme cases for properties to be closed or demolished. In practice, the great majority of notices are served on landlords to require repairs or improvements to be carried out for the benefit of tenants.
- 4.34 There are significantly greater risks associated with Houses in Multiple Occupation and additional powers and duties exist for HMOs.
- 4.35 Subject to certain mandatory requirements (for example dealing with Category 1 hazards) local authorities have wide discretion in the way they use these powers. It is common to adopt an informal approach with landlords before statutory notices are served, with contact through telephone and letters and this approach

is encouraged by the Government through the national Enforcement Concordat. Epping Forest has used mainly an informal approach, with only a small number of statutory notices served each year.

- 4.36 The approach to enforcement can be reactive (i.e. responding to complaints made) or proactive (inspections on a planned, regular basis). The proactive approach is recognised as being more efficient and effective and authorities generally seek now to make a significant proportion of inspections proactive. Because of limited staffing resources, the bulk of inspections in Epping Forest have been reactive.
- 4.37 The Council does have other private sector housing duties. These include:-
- Inspection and licensing of park home sites (46 in the District)
 - Advice, assistance and enforcement in harassment and illegal eviction cases
 - Dealing with anti social behaviour complaints
 - Filthy and verminous premises
 - Inspection of dwellings for entry clearance/immigration
- 4.38 The large number of park home sites reflects both the large area of rural land in the District and the high price of local housing. The recent survey of park home sites highlighted the need to focus on this issue to ensure satisfactory standards. The Council has taken on an additional Officer to deal with this and other duties placed upon it by the Housing Act 2004.

Single Household Dwellings

- 4.39 Powers may be used in respect of individual properties or to deal with an area of unsatisfactory houses. Prior to April 2006, when a property was in disrepair or unfit, the local authority could require it to be repaired, closed or even demolished.
- 4.40 The Housing Act 2004 has now replaced the Fitness Standard with the Housing Health and Safety Rating System which assess hazards in a dwelling. The new system was described in Part 3 and more detail is given in Appendix C. The new system looks at 29 hazards within a dwelling and assesses the likelihood of harm occurring having regard to the most vulnerable type of person who might occupy or visit the property. Examples of hazards are excessive cold, damp and mould growth, falls on the level, on stairs and between levels, fire, hot surfaces and materials, etc.
- 4.41 Hazards are scored, and the score determines what action is appropriate. Above a trigger point, hazards are classed as Category 1 and a local authority has a duty to take enforcement action. (There is a mandatory duty to take action on unfit dwellings under the current housing Fitness Standard.) Below the trigger point, hazards are Category 2 - here the authority has power to take action. The introduction of the HHSRS is going to have a significant impact on the way standards are enforced and obviously has implications for service delivery.

- 4.42 The legal powers under the HHSRS are similar to those for unfitness in that a local authority can require the owner of a property to carry out work to the property or close or demolish it. However, they are wider (including the power to take emergency action) and more flexible, with the power to issue suspended notices.
- 4.43 Although the HHSRS has now replaced the existing housing Fitness Standard, there is no direct overlap between the two standards. A house may be unfit under the old standard but not under HHSRS and vice versa. This has an impact on the Decent Homes Standard – meeting the HHSRS rather than the old housing Fitness Standard now becomes Criterion A of the standard. It will also have an impact on enforcement.

Houses in Multiple Occupation

- 4.44 Houses in Multiple Occupation can pose far greater risks to their occupants than single household dwellings (especially with fire). Across the country there is more local authority intervention with HMOs to ensure satisfactory conditions and the Housing Act 2004 has now introduced mandatory licensing of higher risk HMOs (3 or more storeys occupied by 5 or more persons who comprise 2 or more households).
- 4.45 The House Condition Survey estimated there to be 890 Houses in Multiple Occupation in Epping Forest (2.0% of the stock compared with the national average of 2.6%), with around 60 HMOs requiring mandatory licensing, however, on closer inspection there may be less than 30 licensable HMOs in Epping Forest.
- 4.46 The Housing Act 1985 contained powers specifically to deal with Houses in Multiple Occupation covering:
- Adequate means of escape in the event of fire, and
 - Sufficient amenities and
 - That the properties are adequately managed.
- 4.47 These powers are now largely repealed and replaced by the Housing Act 2004 applying the enforcement provisions of the HHSRS.
- 4.48 Epping Forest did not have an HMO registration scheme before the new Act but has now introduced arrangements for mandatory licensing.
- 4.49 As well as introducing mandatory licensing of higher risk HMOs, the Housing Act 2004 also introduces a new definition of “house in multiple occupation”. This now clearly includes self contained flats in converted buildings which do not comply with the 1991 Building Regulations and where less than two thirds are owner occupied.
- 4.50 Work in the past on HMOs has been largely reactive. However, the Council has recognised the importance of the changes to the Housing Act 2004 and has engaged temporary and additional staff to undertake survey work, to establish numbers and locations with a view to establishing a proactive programme and also to check that all high risk HMOs have been licensed.

Empty Dwellings

- 4.51 The general House Condition Survey estimated there to be 1,250 empty homes in Epping Forest (2.8% of the stock compared with the national average of 3%). Of these vacant properties, an estimated 490 dwellings (1.1% of the stock) had been vacant for 6 months or longer.
- 4.52 Whilst the proportion of voids is below the national average, the Council recognises that there are a significant number of long term vacant properties which could usefully be brought back into use. For some time the Council has used informal measures to encourage owners back into use. However, a draft Empty Homes Strategy has been approved which sanctions the use of enforcement powers where necessary. A start has already been made with a proposed use of compulsory purchase powers.
- 4.53 In addition, as mentioned the Council is one of five partners which have secured significant funding to renovate empty homes. Realistically this will mean that potentially, up to 20 properties in Epping Forest may be renovated and then used for accommodation for vulnerable households in a private sector leasing scheme.
- 4.54 Further information on the Empty Homes Strategy is set out in the next Part.

Part 4 - Summary

Informing, Advice & Specialist Support

- Information and advice is given by Council Officers in the Environmental Health Group.
- The C.A.R.E. home improvement agency service has been successful and the Council will continue to build upon this.
- C.A.R.E. operate an effective handyperson service.
- The Council believes that the privately rented sector can play an important role in meeting the need for affordable housing and will seek to establish an effective Landlords Forum.
- There are advantages to linking the Deposit Guarantee Scheme with accreditation.
- Significant progress has been made with private sector leasing with the recent successful funding bid to the Government Office for the East of England.

Financial Assistance

- Epping Forest introduced an interim policy after the Regulatory Reform Order 2002 which provided for modified Home Repairs Assistance and Renovation Grants along with limited Disabled Facility Grants – the Council recognises that the funding for housing renewal and the range of assistance needs to be increased.
- Disabled Facility Grants have occupied a substantial part of the capital allocation for renewal work and the demand is continuing.
- Many councils across the country are now moving towards arrangements for offering financial assistance which involve equity release/loans from specialist not for profit agencies. Epping Forest will explore a model to facilitate equity release in partnership with neighbouring authorities.

Enforcement

- The Environmental Health Group is responsible for statutory housing functions and also for a range of other housing related duties including park home sites, inspection of dwellings for entry clearance and other miscellaneous duties.
- Because of limited resources and modest demand, most work is now reactive (responding to complaints) rather than planned.
- The Housing Act 2004 has introduced major changes including the Housing Health and Safety and Rating System to replace the Fitness Standard, mandatory licensing of higher risk HMOs and the power to make Empty Dwelling Management Orders.

5.0 A NEW DIRECTION

The Priorities For The New Strategy

National, Regional and Other Local Priorities

- 5.1 Part 2 set out the strategic context surrounding this Private Sector Housing Strategy. The Strategy has to take into account prompts from policies at national and regional level as well as other local strategies and local circumstances.
- 5.2 Government priorities revolve around securing decent homes and creating sustainable communities. The Government target for 2006/07 is that 65% of vulnerable households should live in decent homes and the Epping Forest figure shown by the House Condition Survey was 58.1%. This means that there is a shortfall of 590 homes presently occupied by vulnerable households which need to be made decent to meet the target. The shortfall for the 2010/11 target of 70% is 1,020.
- 5.3 The Housing Act 2004 has brought new challenges with the Housing Health and Safety Rating System and the mandatory licensing of high risk HMOs. In particular the HHSRS will have significant continuing impact on the work of the Residential Control Unit.
- 5.4 The strategy also needs to reflect the Government view that the owners of dwellings are responsible their repair and improvement, the importance of releasing private sector equity and an expanded role for home improvement agencies. It is clear from the estimated figures in the House Condition Survey that the potential costs even just to make non decent home decent significantly outstrip capital resources available to the Council.
- 5.5 Several consistent themes emerge from the regional and local strategies:-
 - Maximising the supply of affordable housing
 - Maintaining and improving stock condition
 - Meeting the needs of vulnerable groups
 - Promoting affordable warmth
 - Promoting independent living for vulnerable groups
 - Developing an appropriate and reliable equity release product

Local Housing Context

- 5.6 Part 3 looked at the local context. Although Epping Forest is clearly an affluent District overall, there are some pockets of deprivation. It is very clear that the lack of affordable housing is an overriding concern. Whilst incomes are relatively high compared to national averages, because the area is so popular both house and rental prices are very high.
- 5.7 The proportion of owner occupied stock is appreciably higher than the national average and a lower proportion of publicly rented homes and significantly lower proportion of privately rented homes (half the national average). General demand and a rising trend of homelessness have outstripped the supply of

publicly rented stock. However, the limited amount of privately rented homes and the high prevailing rent levels limit the contribution the privately rented sector currently makes to providing affordable housing.

- 5.8 To promote access to the privately rented sector, other local authorities have:
- Engaged actively with local landlords through Landlords Forums to share information and best practice
 - Linked deposit guarantee schemes with accreditation to promote access to the privately rented sector
 - Given financial assistance to help bring long term vacant properties back into use
 - Given financial assistance to assist the conversion of underused or redundant space in buildings into housing accommodation
- 5.10 Epping Forest has already made an effective start in promoting access with the work with private sector leasing but the above all give prompts for future action.
- 5.11 The Council recognises significant change is needed in the way it deals with private sector housing. While in many respects the housing stock in Epping Forest compares favourably with the rest of England, however, the house condition survey did highlight a number of areas that warrant attention. In particular, the survey highlighted that conditions in the privately rented sector, in pre-1919 properties and in converted flats (which included houses in multiple occupation) were significantly worse against indicators such as the Decent Homes Standard, Category 1 hazards and unfitness.
- 5.12 Thermal comfort is an issue with the majority of failures of the Decent Homes Standard for this reason, and with an estimated 1,800 properties in fuel poverty. The Standard Assessment Procedure (SAP) rating is the Government's recommended system for energy rating of dwellings and another 1,800 properties, whilst not in fuel poverty, have a SAP rating below 30. The lowest SAP ratings were again found in the privately rented sector, in pre-1919 properties and in converted flats.
- 5.13 Both the House Condition Survey and the Housing Needs Survey showed that there is substantial potential demand for disability adaptations and that Disabled Facility Grants will continue to take the majority of the capital allocation.

Future Action

- 5.14 Taking all these issues into account, it is clear that the Council needs to make significant changes to the way it deals with unsatisfactory housing. The scale of change means that it will be phased over several years. Broad policy changes will be made in the following areas:-
- (i) Enforcement of private sector statutory housing standards.
 - (ii) Financial assistance:-
 - In the medium term the introduction of equity release mechanisms.

- In the short term adjustments to the existing Home Repairs Assistance and Renovation Grants regime and the introduction of new forms of assistance to promote thermal comfort, to encourage empty homes being brought back into use and the creation of new homes by the conversion of underused space.

Inspection and Enforcement

- 5.15 Effective inspection and enforcement needs adequate numbers of specialist staff to undertake surveys, prepare notices, inspect work, deal with landlords and contractors and, where appropriate, pursue statutory action. There should be a proper balance between reactive work (responding to complaints) and proactive work (planned inspections according to priorities).
- 5.16 The new Housing Health and Safety Rating System in itself will involve major change. The HHSRS does involve a radically different, risk based approach compared with the Fitness Standard. In addition, the change to the HHSRS means that the Council now has a statutory obligation to deal with many more properties - the house condition survey found 2,600 dwellings which have a Category 1 hazard but which are not currently unfit.
- 5.17 The Rating System requires local authorities to take the most appropriate course of action if a Category 1 hazard (Band A – C) is found. This may involve one of the following courses of action:
- Service of Improvement Notice
 - Service of Prohibition Order
 - Service of Hazard Awareness Notice
 - Emergency Remedial Action
 - Emergency Prohibition Order
 - Demolition Order
 - Declaration of Clearance Area
- 5.18 If a Category 2 (Band D – J) is found, a local authority has no *duty* to take action but has a discretion to do so. Epping Forest recognises that there may be many occasions when it will be appropriate to exercise its discretion and take action in respect of Category 2 hazards. Appendix C gives more details on the way the Rating System works and also sets out the guidelines against which discretion will be exercised.
- 5.19 The HHSRS does not differentiate between tenures. If a Category 1 hazard is found in an owner occupied property then a local authority has a duty to take the most appropriate course of action. Like most local authorities, Epping Forest has been reluctant to take statutory action against owner occupiers.
- 5.20 Appendix C also sets out the guidelines that will be used in Epping Forest where Category 1 hazards are found in owner occupied properties. In general terms Hazard Awareness Notices will be served unless the circumstances make this inappropriate (for example if there is an imminent risk of harm and Emergency Remedial Action is necessary).

- 5.21 As stated in Part 4. A licensing scheme has been put in place for high risk HMOs (properties with three or more storeys and with five or more tenants sharing facilities). The initial number of applications for licensing has been less than 20. Further publicity measures are planned.
- 5.22 The new statutory definition of a House in Multiple Occupation in the Housing Act 2004 is wider than the previous definition. The Council recognises that this will increase the number of HMOs with implications for enforcement. Survey work is underway to identify numbers and locations of HMOs to establish a planned programme of inspections, and to find any unlicensed high risk HMOs.
- 5.23 The Housing Act 2004 gives local authorities the option to extend licensing to HMOs outside the definition of higher risk and also to non-HMO privately rented property. The Council does not anticipate the need to apply additional licensing to the mandatory scheme, but would review this should the need arise.
- 5.24 The Council intends that a greater proportion of formal intervention will be used in future, reflecting in particular the new HHSRS. The inspection regime will be altered to include more proactive work, including planned inspections of park home sites in addition to houses in multiple occupation.
- 5.25 The new approach will be publicised to make the public more aware of the action the Council can take to help with unsatisfactory housing.

Engaging with the Privately Rented Sector

Landlords Forum

- 5.26 Regular meetings between local authority officers and landlords help to share information and good practice. Officers can explain statutory requirements and Council policy. The Council will now consider setting up an effective Landlords Forum.

Deposit Guarantee Scheme and Accreditation

- 5.27 The existing Deposit Guarantee Scheme, operated by Epping Forest Housing Aid, a Council partner, has proved successful in assisting vulnerable households to access accommodation in the private sector. Guarantee schemes are often linked with accreditation.
- 5.28 Accreditation schemes have achieved positive results in other authorities, with landlords and prospective tenants receiving guidance on the standards expected in rented accommodation. Tenants also know that the Council has found the accommodation satisfactory. The Council will work with Epping Forest Housing Aid to consider ways of linking the Deposit Guarantee Scheme to accreditation.

Private Sector Leasing

- 5.29 The Council has been running private sector leasing for some years now in partnership with East Thames Housing Group. The Fresh Start scheme has proved very successful and has just been extended to 20 properties per year.
- 5.30 The Council is pleased to have been successful in the bid to the Government Office for the East of England with its partners for funding to renovate 100 empty homes (potentially 20 in Epping Forest). When complete, these homes will be let

to vulnerable households through private sector leasing. The Council intends to continue building on the success of private sector leasing.

Empty Homes

- 5.31 As described in Part 4, the survey estimated there to be 1,250 empty homes in Epping Forest (1.6% of the stock), with 490 of these vacant for more than 6 months. There will always be a percentage of the stock vacant to allow as properties are being sold or re-let but the long term vacant properties represent a wasted resource in an area where affordable housing is scarce.
- 5.32 The Council has been working for some time on a new approach to empty homes and a formal Empty Homes Strategy will be published shortly. This will combine:
- Informal advice and guidance
 - Financial incentives
 - Enforcement measures
- 5.33 Informal advice and guidance will include information on the Council website, improved reporting arrangements and promotion of letting agents. The enforcement measures will include using, where appropriate, power of enforced sale, the new Empty Dwelling Management Orders under the Housing Act 2004 and compulsory purchase along with increased use of miscellaneous powers relating to disrepair, dilapidation, vermin, blocked drains, etc.
- 5.34 With financial incentives, the issue of the deposit guarantee scheme and private sector leasing have already been described. The Council has already agreed that the discount given to properties vacant for more than six months be 50% and that the discount be removed for properties vacant for more than a year. A further way to give an incentive is to offer financial assistance, and the Council now intends to offer Empty Homes Grants to help bring longer term empty properties back into use. The conditions for these grants is set out be in the section dealing with the financial assistance.

Financial Assistance

Releasing Equity and Loans

- 5.35 Until now, Epping Forest has provided financial assistance to the private housing sector through grant aid. However, as described in Part 4, many local authorities across the country have now moved towards facilitating equity release or offering direct loans and the trend is growing. Normally grant assistance is offered in exceptional cases.
- 5.36 It is the Government's view that, where equity exists in a property, some of this potential value should be released to fund any renovation and improvement work that is necessary. "Equity" is the difference between the market value of a property and the value of any mortgage or other charges held against it. If there is no mortgage (as is generally the case with older residents) then the equity is the full market value.
- 5.37 As described in Part 3, house prices are high in Epping Forest. The most recent Land Registry figures (to March 2006) put the average house price in Epping Forest at £297,130. The average prices for semi-detached and terraced houses

are £259,541 and £226,780 respectively. The House Condition Survey included information on outstanding mortgages and this indicated an average equity of around £250,000. The 2001 Census showed there to be a higher proportion of properties in Epping Forest with no mortgage than the national average.

- 5.38 The House Condition Survey showed that the estimated cost to remedy all items that make properties non decent is £50.8 million at an average cost per dwelling of £4,800. The cost to make decent the 590 non decent homes occupied by vulnerable households necessary to meet the 2006/07 Government target is £2.8 million and the cost to meet the 2010/11 target £4.9 million.
- 5.39 It is clear that there is a very substantial gap between potential costs of works just to make homes and decent and the capital budget. It is also clear having regard to property prices and typical mortgage levels that there is scope for the Council to consider introducing a mechanism to facilitate equity release.
- 5.40 If a local authority makes loans itself, then the loan amount counts directly against the capital allocation. With specialist providers, as private finance is brought in, the funds available to the local authority for loan can be a multiple several times greater than the amount the local authority commits to the scheme, although there may a significant non-recoverable cost in setting up. In addition, there is the issue of giving financial advice, which is regulated by the Financial Services Authority. Specialist providers will arrange for advice to be given by an independent financial advisor.
- 5.41 The Council does recognise that there are many households on low incomes and it will be important that the any new system takes account of their needs. However, the new financial schemes that are becoming available through the specialist not for profit agencies are specifically designed to meet the circumstances of low income households. In particular, they normally include a non-repossession guarantee.
- 5.42 Developing a new approach will require significant preparatory work. The Council will look to selecting a specialist financial provider and then organise the new system. The set up and administration costs of equity release schemes are significant and some local authorities have grouped together to share costs. Epping Forest will pursue the possibility of a partnership on this issue with other authorities in the London Commuter Belt Sub-Region.
- 5.43 The existing arrangements for providing a home improvement agency have worked well and the Council intends to develop them. In the longer term, as the equity release mechanism is developed, the home improvement agency will play an important part in delivering this.
- 5.44 The Council aims to have in place:
1. agreements with a specialist financial provider by 1 July 2007, and
 2. a mechanism for facilitating equity release by 1 September 2007.

Financial Assistance 2006-07

- 5.45 Whilst the Council is developing these arrangements, interim changes will be made to the existing arrangements for delivering financial assistance. The availability of additional capital grant of £447k for 2006–07 has just been confirmed by the Government Office for the East of England. This will allow the Council to increase significantly the financial assistance offered. The Council intends to introduce new forms of grants for 2006-07.
- 5.46 One significant change that will apply to Decent Homes Assistance is the requirement to give a Certificate of Owner Occupation for 20 Years. This means the Council will require repayment of the grant on any disposal of the property (whatever the reason) within that time. Shorter times apply to other types of grant, and no Certificate will be required in respect of Home Repairs Assistance.
- 5.47 The allocations will be as set out below:

Assistance Type	Allocation 2006/07 £000's	Allocation 2007/08 £000's
Disabled Facilities Grants	500	500
Discretionary Disabled Facilities Grants	30	620 to be allocated in accordance with the spending profile determined in 2006/07
Small Works Assistance	100	
Decent Homes Assistance	220	
Thermal Comfort Grants	50	
Empty Property Grants	50	
Conversion Grants	50	
Total	1000	

- 5.48 The figure for mandatory DFGs includes the Government contribution of 60% grant on expenditure up to £126k for 2006/7.
- 5.49 When looking at ways to offer financial assistance to promote housing renewal, three broad strands are normally considered:
1. Client based aid (in particular vulnerable groups)
 2. Area based aid (block repair, renewal areas)
 3. Theme based aid (thermal comfort, access/adaptations, community safety).
- 5.50 The existing Epping Forest approach is mainly client based. The nature of the District is such that area based assistance is not appropriate. One theme based issue that the Council does want to address is thermal comfort, which was highlighted by the house condition survey, especially with older households and with privately rented properties.

5.51 No financial assistance has been made available previously specifically to assist with energy efficiency works. However, for 2006-07 the Council will make available £50k for discretionary **Thermal Comfort Grants**. These will be made available subject to the following conditions:

- (i) There is inefficient heating or inadequate thermal insulation to the property which does not meet the Decent Homes Standard.
- (ii) Owner occupiers and long leaseholders and landlords (where the tenancy is a regulated tenancy, assured tenancy or assured short hold tenancy) are eligible to apply.
- (iii) Applicants who are owner occupiers or long leaseholders must be 60 years or above or be chronically sick or disabled or be a household with dependent children on a low income.
- (iv) Applicants who are owner occupiers or long leaseholders must satisfy a test of resources. Applicants who are in receipt of means tested benefit will be expected to apply for Warm Front assistance.
- (v) The maximum eligible expense is £3,000 in single occupation or £750 per letting in a house in multiple occupation. The grant will be 50% of the eligible expense for landlords or as determined by the test of resources for owner occupiers.
- (vi) A Certificate of Availability For Letting as permanent residential accommodation for 5 years post completion will be required where the application is a landlord. The Council may reserve the right to apply nomination rights to accommodation available for renting.
- (vii) Where a landlord applies for a Thermal Comfort grant and inspection shows both that a Category 1 hazard exists and that the grant criteria are satisfied, the Council will serve a Hazard Awareness Notice. If the grant works are not carried out within the time stipulated in the grant approval, the Council will withdraw the grant approval and serve an Improvement Notice requiring the landlord to carry works.

Changes to the existing Home Repair Assistance

5.52 Discretionary **Small Works Assistance** will be available subject to the following:-

- (i) There must be a statutory hazard within the property rated at Band D or above, or a defect which is likely to damage the fabric of the property unless repaired.
- (ii) The maximum eligible expense is £5,000.
- (iii) Eligible works will include works to rectify a significant hazard under the Housing Health and Safety Rating System, works to rectify any disrepair likely to damage the fabric of the property and works to improve thermal comfort.
- (iv) Applicants must be 60 years or above or be chronically sick or disabled or be a household with dependent children on a low income
- (v) The applicant must satisfy a test of resources and/or be in receipt of a means tested benefit.
- (vi) Owner occupiers and long leaseholders are eligible to apply.

- (vii) Owner occupiers and long leaseholders must have been resident for one year previously. The Council may consider waiving this requirement in exceptional circumstances.
- (viii) No more than one application can be made in any twelve month period.

Changes to the Existing Renovation Grants

5.53 Existing Renovation Grants are to become discretionary **Decent Homes Assistance** and will be aimed specifically at helping vulnerable and other low income households to carry out works to meet the Decent Homes Standard. Decent Homes Assistance will be available subject to the following conditions:

- (i) There must be a significant hazard within the property rated at Band D or above, or disrepair which amounts to a breach of the Decent Homes Standard
- (ii) The maximum eligible expense is £15,000
- (iii) Eligible works will be any works necessary to ensure the property meets the Decent Homes Standard including:
 - Work to rectify any significant hazard under the Housing Health and Safety Rating System.
 - Work to repair or replace building components which are old and because of their condition require replacing or repair. (If there is only one such building component it must be a key building component.)
 - Work to replace defective kitchen or bathroom/WC fittings or kitchen fittings over 20 years old and bathroom fittings over 30 years old.
 - Work to provide a reasonable degree of thermal comfort.
- (iv) Applicants must be 60 years or above or be chronically sick or disabled or be a household with dependent children on a low income.
- (v) The applicant must satisfy a test of resources and/or be in receipt of a means tested benefit.
- (vi) Assistance will only be available for properties in Council Tax Bands A – E.
- (vii) Owner occupiers and long leaseholders are eligible to apply.
- (viii) Owner occupiers and long leaseholders must have been resident for one year previously. The Council may consider waiving this requirement in exceptional circumstances.
- (ix) A requirement to give a Certificate of Owner Occupation for 20 Years. This means the Council will require repayment of the grant on any disposal of the property (whatever the reason) within that time.

5.54 **Discretionary Disabled Facilities Grant/Relocation Grant** may be available subject to the following conditions:

- (i) The Council may in exceptional circumstances make a grant for discretionary works additional to mandatory works Disabled Facility Grant works. This may arise where the cost of the works exceeds the maximum

eligible expense limit or where the type of work is not eligible for mandatory grant aid.

- (ii) Such grants will only be made in exceptional circumstances and subject to the Council having adequate budgetary provision at the time of the application and will require the express approval of the Head of Environmental Services.
- (iii) Where a person qualifies for a mandatory Disabled Facilities Grant but the necessary works are not feasible at their existing property, or could only be carried out at wholly disproportionate cost, then the Council may consider a grant towards essential relocation costs and/or the difference in price of the new home.
- (iv) In order to consider a relocation grant, the new property must be capable of being occupied as it stands or with adaptation at reasonable cost.
- (v) The maximum relocation grant will be £10,000.
- (vi) No household can receive more than one relocation grant.
- (vii) The standard DFG test of resources will be applied to applications for both discretionary DFGs and relocation grants.

Empty Homes Grant

5.55 In order to encourage the return of long term empty properties back into use, and to increase the supply of affordable housing, the Council will now make available discretionary **Empty Homes Grants** subject to the following conditions:

- (i) The property must have been vacant for a minimum period of one year before the application is submitted.
- (ii) There must be a significant hazard within the property rated at Band D or above, or disrepair which amounts to a breach of the Decent Homes Standard.
- (iii) Eligible works are as for Decent Homes Assistance.
- (iv) Landlords or persons having inherited the property are eligible to apply.
- (v) The maximum eligible expense is £10,000.
- (vi) Future owner occupiers and long leaseholders will be subject to a test of resources which will also determine the appropriate percentage. The appropriate percentage for landlord applications is 50%.
- (x) Owner occupiers or long leaseholders will be required to give Certificate Of Owner Occupation for 10 years post completion. Landlords will be required to give a Certificate Of Availability for letting as permanent residential accommodation for 5 years post completion. This means the Council will require repayment of the grant on any disposal or change of use of the property (whatever the reason) within these times.
- (vii) The Council reserves the right to apply nomination rights to accommodation available for renting.

Conversion Grants

5.56 In order to encourage the conversion of underused or redundant space in to living accommodation (where this is consistent with the Local Plan and planning

consent can be obtained) to increase the supply of affordable housing, the Council will now make available discretionary **Conversion Grants** subject to the following conditions:

- (i) Available for the conversion of redundant space in existing buildings.
- (ii) Landlords only are eligible to apply.
- (iii) The dwellings resulting from the conversion must be of a type likely to be available at rent levels consistent with the market for rented dwellings generally available in Epping Forest (the Council will not give assistance towards the provision of luxury dwellings or dwellings likely to be used for commercial purposes).
- (iv) The maximum eligible expense is £10,000 per unit (£30,000 per scheme or building)
- (v) The grant will be 50% of the eligible expense.
- (vi) Landlords will be required to give a Certificate Of Availability for letting as permanent residential accommodation for 5 years post completion. This means the Council will require repayment of the grant on disposal or any change of use of the property (whatever the reason) within this time.
- (vii) The Council reserves the right to apply nomination rights to accommodation available for renting.

Review

5.57 The following pages set out the Action Plan the Council will follow in implementing the Private Sector Housing Strategy.

5.58 The Council is committed to improving private sector housing standards and there will be a review against progress against the targets set out in the Action Plan as necessary.

Contacts, Appeals and Complaints

5.59 Contact addresses and telephone numbers for Council staff are set out in the formal Statement of Housing Assistance Policy in Appendix A. The policy also sets out the procedure for any person who wishes to appeal against any decision in respect of financial assistance or to complain about any issue relating to this Strategy.

Part 5 - Summary

Priorities for New Strategy

- Housing Act 2004 – in particular HHSRS and mandatory HMO Licensing.
- Government guidance on the Regulatory Reform Order 2002.
- Regional and local strategies:
 - Maximising the supply of affordable housing
 - Maintaining and improving stock condition
 - Meeting the needs of vulnerable groups
 - Promoting affordable warmth
 - Promoting independent living for vulnerable groups
 - Developing an appropriate and reliable equity release product.
- The lack of affordable housing is a major concern.
- The Council can work with private sector landlords to facilitate access to more affordable housing.

Future Action – Statutory Housing Standards

- The Council will adopt a higher profile with inspection and enforcement, with more formal intervention when necessary and a greater proportion of planned inspections.
- The Council will use the principles set out in Appendix C when exercising its discretionary powers under the Housing Health and Safety Rating System.
- The Council has introduced mandatory licensing of higher risk houses in multiple occupation.
- The Council will set up and maintain an effective Landlords Forum.
- The Council will seek to strengthen links with Epping Forest Housing Aid and link the Deposit Guarantee Scheme with accreditation.
- An Empty Homes Strategy will be adopted formally shortly. This will combine advice, encouragement, financial assistance and the use of statutory powers where necessary to bring empty homes back into use.

Future Action – Financial Assistance

- The Council will continue with C.A.R.E. and develop its role.
- The Council intends to move towards a system of giving financial assistance through facilitating equity release loans, and aims to work in partnership with neighbour authorities to achieve this by September 2007.
- Pending the introduction of equity release schemes, the arrangements for existing grants will be revised and new grants will be introduced to promote thermal comfort, to encourage empty homes to be brought back into use and to promote the conversion of redundant space into affordability housing accommodation.

Objective	Priority	Links to Other Strategies / Legislation	Work to be Done	Resources Required	Target Date	Indicator(s) of Outcome Achieved/Performance Measure	Lead Officer
INSPECTION AND ENFORCEMENT							
1. Adequate levels of appropriately trained staff.	High	Corporate BVPP Private Sector Housing Strategy	Recruitment and training to be carried out. All staff to be competent in new Housing Act 2004 procedures.	Time input from Principal Team Leader. Provision for the cost of additional post (s).	July 2007 Training in Housing Act 2004 duties to be on going	Satisfactory performance of the Council's private sector housing responsibilities (enforcement and delivery of financial assistance) Unit staffed to new establishment. Staff effectively trained.	
2. Review of licensing system for high risk HMOs	High	National Housing Act 2004, Licensing of Houses in Multiple Occupation Regulations 2006 Corporate Housing Strategy	Licensing system in place. Review after three months and six months to ensure effective operation, and thereafter annually. Advertise again after six months to ensure that all potential licensable properties are covered.	Time input from Principal Team Leader Residential Control Unit	June 2007 September 2007 December 2007	All higher risk HMOs are licensed and all statutory obligations met Licensable HMOs regularly monitored	
3. A new systematic approach to inspection and enforcement in the private sector	Medium	National Housing Act 2004 Regional Housing Policy Corporate Housing Strategy	Introduce proactive inspections in addition to reactive inspections, focusing first on high risk HMOs and park home sites. Introduce procedures to ensure rigorous response to complaints on private sector housing issues.	Time input from Residential Control Unit	April 2007	Inspection regime established and operating including planned inspection programme park home sites	
4. Introduce Landlords Forum	Medium	National Housing Act 2004 Corporate Housing Strategy Homelessness Strategy	Contact known landlords and representatives, advertise intention to set up Landlords Forum, hold initial meeting to agree aims & objectives and constitution.	Time input from Principal Team Leader Residential Control Unit. Servicing costs.	April 2007	Landlords Forum established and operating satisfactorily	
6. An accreditation system in partnership	Medium	National	Formalise links with Epping Forest Housing Aid. Discuss with	Time input from Principal Team Leader	Consult & develop	Launch. Advice leaflets available for prospective	

with local landlords linked with Deposit Guarantee Scheme		DCLG Guidance Corporate Housing Strategy Homelessness Strategy	representatives of local landlords and voluntary agencies agreed standards of accommodation and management. Establish procedures for self assessment/inspection. Publish advice to landlords and prospective tenants. Link with Deposit Guarantee Scheme.	& Residential Control Unit. Servicing costs	scheme July 2007 Implement September 2007	tenants. Standards for HMO and non-HMO accommodation established and agreed. Procedures in place for inspection / assessment, advising prospective tenants and links with Deposit Guarantee Scheme.	
7. Adopt Empty Homes Strategy	High	National Housing Act 2004, DCLG Guidance Regional Housing Strategy Corporate plan Homelessness Strategy BVPI 64	Format for Strategy has already been approved. Formal Strategy to be approved and all measures implemented	Time input from Principal Team Leader & Residential Control Unit. Continuing commitment from capital programme to Empty Homes Loans (included in allocation in 9 below.)	Adoption - December 2006 Majority of measures impl'd - March 2007	Empty Homes Strategy published and working procedures developed. Target number of properties identified for first year.	
FINANCIAL ASSISTANCE							
8. Changes to Home Repair Assistance, Renovation Grants and Discretionary DFGs	High	National DCLG Guidance Regional Housing Strategy Corporate Housing Strategy	Amend existing grant procedures and documentation to implement revised grant system.	Increased capital allocation of £100k. Time input from Principal Team Leader & Residential Control Unit.	April 2007	Grant procedures, documentation and leaflets adapted to reflect revised grants. Changes notified publicly.	
9. Introduce Thermal Comfort Grants, Empty Homes Grants and Conversion Grants	High	National Housing Act 2004 Regional Housing Strategy	Introduce procedures and documentation to implement new grant structure	Annual capital allocation of £150k. Input of time from Principal Team Leader Residential Control Unit.	April 2007	Grant procedures, documentation and leaflets introduced. Changes notified publicly.	

		Corporate BVPP, Community Strategy Housing Strategy Homelessness Strategy					
10. Formulate an agreement with a specialist financial provider to offer a range of equity release and similar financial packages.	Medium	National DCLG Guidance, Foundations Review Regional Regional Housing Strategy Sub regional Housing Strategy Supporting People Strategy Corporate Housing Strategy	To be developed with other London Commuter Belt Sub Region authorities or other partner authorities. Undertake negotiations with specialist agencies over financial product availability and investment required. Negotiate and finalise agreement.	Resources to be identified in future capital programmes for Council contribution to financial provider. Time input from Principal Team Leader.	Mid 2008	Resources identified in capital programmes. Agreement with specialist financial provider in place.	
11. Develop and bring into use procedures for facilitating equity release.	Medium	National DCLG Guidance Regional Regional Housing Strategy Supporting People Strategy Corporate Housing Strategy Epping Forest Local Supporting People Strategy	Development of principles and procedures for the new approach to giving financial assistance undertaken in consultation with all stakeholders.	Resources to be identified in future capital programmes for Council contribution to equity release scheme. Time input from Principal Team Leader	Late 2008	Resources identified in capital programmes. Principles and procedures for equity release scheme established and service agreements in place with all agencies. Working procedures, documentation and leaflets for equity release scheme completed. Changes notified publicly.	
GENERAL							
12. Increase awareness of both new approaches to enforcement and to offering financial assistance.	High	National DCLG Guidance Regional Regional Housing Strategy Corporate Housing Strategy BVPP	Prepare new information leaflets and distribute to Council offices and to voluntary agencies. Update website. Advise Landlords Forum. Make press release.	Time input from Principal Team Leader & Residential Control Unit Cost of publicity materials.	June 2007	New leaflets distributed, website updated, press release made and Landlords Forum advised.	

Appendix A

Epping Forest District Council - Housing Assistance Policy 2006

To be written on completion of consultation.

Appendix B

CONSULTATION

To be written on completion of consultation.

Appendix C

THE HOUSING HEALTH AND SAFETY AND RATING SYSTEM

1.0 Introduction

- 1.1 Part 1 of the Housing Act 2004 contains provisions to replace the housing fitness regime set out in the Housing Act 1985 (described in Appendix E), which was based on criteria first introduced 80 years ago. The test of fitness is now to be replaced with an evidence-based risk assessment process, carried out using the Housing Health and Safety Rating System (HHSRS). Local authorities will in future base enforcement decisions in respect of all residential premises on the basis of assessments under HHSRS. This reform will enable local authorities to address more effectively the hazards to health and safety found in dwellings.
- 1.2 Action by authorities will be based on a three-stage consideration:
- (a) The hazard rating determined under HHSRS;
 - (b) Whether the authority has a duty or power to act, determined by the presence of a hazard above or below a threshold prescribed by Regulations (Category 1 and Category 2 hazards); and
 - (c) The authority's judgement as to the most appropriate course of action to deal with the hazard.
- 1.3 The Act contains new enforcement options that are available to local authorities. The choice of the most appropriate course of action is for the authority to decide, having regard to statutory enforcement guidance.

2.0 The Assessment System

- 2.1 The purpose of the HHSRS assessment is not to set a standard but to generate objective information in order to determine and inform enforcement decisions. Technical guidance is given by DCLG in the February 2006 document "Housing Health and Safety Rating System: Operating Guidance".
- 2.2 HHSRS assesses twenty nine categories of housing hazard, including many factors which were not covered or covered inadequately by the housing fitness standard. It provides a rating for each hazard. It does *not* provide a single rating for the dwelling as a whole or, in the case of multiply occupied dwellings, for the building as a whole.
- 2.3 The HHSRS scoring system combines the probability that a harmful occurrence (e.g. an accident or illness) will occur as a consequence of a deficiency (i.e. a fault in a dwelling (whether due to disrepair or a design fault)). If a harmful occurrence is very likely to occur and the outcome is likely to be extreme or severe (e.g. death or a major injury) then the score will be very high.
- 2.4 The hazard rating is expressed through a numerical score which falls within one of ten bands. Scores in Bands A to C (score 1,000 or above) are Category 1 hazards. Scores in Bands D to J (score below 1,000) are Category 2 hazards. The 29 hazard types are as follows:
- A. Physiological Requirements
- Damp and mould growth etc
 - Excessive cold
 - Excessive heat
 - Asbestos (and MMF)
 - Biocides
 - CO & Fuel combustion products

- Lead
- Radiation
- Uncombusted fuel gas
- Volatile organic compounds

B. Psychological Requirements

- Crowding and space
- Entry by intruders
- Lighting
- Noise

C. Protection Against Infection

- Domestic hygiene, pests & refuse
- Food safety
- Personal hygiene sanitation & drainage
- Water supply

D. Protection Against Accidents

- Falls associated with baths etc
- Falls on the level
- Falls associated with stairs and steps
- Falls between levels (e.g. from windows),
- Electrical hazards
- Fire
- Hot surfaces and materials
- Collision and entrapment
- Explosions
- Poor ergonomics
- Structural collapse and falling elements

2.4 The HHSRS assessment is based on the risk to the *potential occupant who is most vulnerable to that hazard*. For example, stairs constitute a greater risk to the elderly, so for assessing hazards relating to stairs persons aged 60 years or over are the most vulnerable group. In contrast, the most vulnerable group for falling between levels are children under 5 years. The very young as well as older people are susceptible to low temperatures. A dwelling that is safe for those most vulnerable to a particular hazard is safe for all.

3.0 The Enforcement Framework

3.1 Local authorities have a duty to act when Category 1 type hazards are found. They have a discretionary power to act in respect of a Category 2 hazard. The courses of action available to authorities where they have either a duty or a power to act are to:

- Serve an improvement notice requiring remedial works;
- Make a prohibition order, which closes the whole or part of a dwelling or restricts the number or class of permitted occupants;
- Suspend the above
- Serve a Hazard Awareness Notice
- Take Emergency Remedial Action*
- Serve an Emergency Prohibition Order*
- Make a demolition order*
- Declare a clearance area*

* Only in respect of Category 1 hazards

3.2 While the HHSRS hazard rating is based on the most vulnerable potential occupant, authorities will be able to take account of the circumstances of the

actual occupant in deciding the most appropriate course of action. Where an authority takes action and the property owner does not comply, the Act retains the powers available to authorities to act in default (i.e. carry out the work themselves and recover the cost from the owner of the property) and/or to prosecute. It also enables them to charge and recover charges for enforcement action.

4.0 Use of Discretionary Power: Decision Rules

4.1 *The Housing Health and Safety Rating System: Enforcement Guidance*, statutory guidance made under section 9 of the Housing Act 2004 gives advice on how local housing authorities should use their discretionary powers.

4.2 An authority must take appropriate action in respect of a Category 1 hazard and may do so in respect of a Category 2 hazard. In deciding what is the most appropriate course of action, the statutory guidance states that they should have regard to a number of factors. It is important to note that in both cases an authority is obliged to give a formal statement of reasons for the action it intends to take.

4.3 It is also important to stress that for the purposes of assessing the hazard, it is assumed that the dwelling is occupied by the most vulnerable household (irrespective of what household is actually in occupation or indeed if it is empty). However, for the purposes of deciding the most appropriate course of action, regard is had to the actual household in occupation.

4.4 An authority has to take account of factors such as:

- Extent, severity and location of hazard
- Proportionality – cost and practicability of remedial works
- Multiple hazards
- The extent of control an occupier has over works to the dwelling
- Vulnerability of current occupiers
- Likelihood of occupancy changing
- Social exclusion
- The views of the current occupiers

4.5 Having regard to the statutory guidance and to the provisions of the Enforcement Concordat which Epping Forest District Council has adopted, in addition to the Council's duty to take action where a Category 1 hazard exists, the Council will generally exercise its discretion to take the most appropriate course of action where a Category 2 hazard exists in the following situations:

The Most Appropriate Course of Action – Category 2 Hazards

A. Band D Hazards

There will be a general presumption that where a Band D hazard exists, Officers will consider action under the Housing Act 2004 unless that would not be the most appropriate course of action

B. Multiple Hazards

Where a number of hazards at Band D or below appear, when looked at together, to create a more serious situation, or where a property appears to be in a dilapidated condition, the Principal Team Leader (Environmental Health) or the Environmental Health Manager may authorise the most appropriate course of action to be taken.

C. Exceptional Circumstances

In exceptional circumstances where A and B above are not applicable, the Principal Team Leader (Environmental Health) or the Environmental Health Manager may authorise the most appropriate course of action to be taken.

Level To Which Hazards Are To Be Improved

The Housing Act 2004 requires only that the works specified when taking the most appropriate course reduce a Category 1 hazard to Category 2 hazard. For example Band C and Band A hazards need only be reduced to Band D. The Council will generally seek to specify works which, whilst not necessarily achieving the ideal, which achieve a significant reduction in the hazard level and in particular will be to a standard that should ensure that no further intervention should be required for a minimum period of twelve months.

Tenure

In considering the most appropriate course of action, the Council will have regard to the extent of control that an occupier has over works required to the dwelling. In normal circumstances, this will mean taking the most appropriate course of action against a private landlord (including Housing Associations) and in most cases this will involve requiring works to be carried out. With owner occupiers, in most cases they will not be required to carry out works to their own home and the requirement to take the most appropriate course of action will be satisfied by the service of an Hazard Awareness Notice.

However, the Council may in certain circumstances require works to be carried out, or to use Emergency Remedial Action or serve an Emergency Prohibition Order, in respect of an owner occupied dwelling. This is likely to be where there is an imminent risk of serious harm to the occupiers themselves or to others outside the household, or where the condition of the dwelling is such that it may adversely affect the health and safety of others outside the household. This may be because of a serious, dangerous deficiency at the property. Another example is a requirement to carry out fire precaution works to a flat on a long leasehold in a block in multiple occupation.

Enforcement Concordat

The Council has adopted the Enforcement Concordat and observes its principles. With specific regard to Part 1 of the Housing Act 2004, our enforcement policy means that the Council will take an informal approach. However, this will not be appropriate where:

- A. There is a risk to health and safety from a hazard of a nature which requires prompt formal action, or
- B. There is evidence of previous non-compliance with statutory provisions made under the Housing Acts or other housing related legislation.

Charging for Notices

In accordance with Sections 49 and 50 of the Housing Act 2004, the Council reserves the right to charge and recover the reasonable costs incurred in taking the most appropriate course of action.

The Council is likely to charge only where:

- A. A formal notice is required to remove a serious threat to health and safety unless the threat arose because of circumstances outside the control of the person receiving the notice, order or action, and/or

- B. There is evidence of previous non compliance with statutory provisions made under the Housing Acts or other housing related legislation, and/or
- C. No adequate action has been taken in response to informal requests from the Council to take action or do works.

Appendix D

DCLG GUIDANCE ON DECENT HOMES STANDARD

1.0 Introduction

- 1.1 The Government has introduced the “Decent Homes Standard” in order to link increased funding for housing with clear improvements in standards. The first guidance on the Decent Homes Standard was issued in July 2001, with revised guidance in February 2004.
- 1.2 The Decent Homes Standard was originally applied only to homes owned by local authorities and registered social landlords. However, the standard has now been applied by the Government to vulnerable households in the private sector by Target 7 of the Public Services Agreement.
- 1.3 “Vulnerable” groups are considered by the Government to be those who may suffer health problems as a result of living in poor housing conditions which they do not have the resources to remedy themselves. Examples include those over 60, people with long term illness or disability or families with young children. In addition they are on low income or in receipt of disability related benefits.
- 1.4 Measurement of progress against the target is achieved through the annual English House Condition Survey (EHCS). The EHCS measures both property condition and the social circumstances of the household. To measure progress against the decent homes target in the private sector, the Government target refers to analysis of EHCS results in two consecutive years (to give robust figures).
- 1.5 The target applicable to private sector homes is:-
 - To secure a year on year increase in the proportion of vulnerable households in decent homes;
 - Proportion of vulnerable households in decent homes to be more than 65% in 2006-07;
 - Proportion of vulnerable households in decent homes to be more than 70% in 2010-11;
 - Proportion of vulnerable households in decent homes to be more than 75% in 2020-21

2.0 What is the Decent Homes Standard?

- 2.1 The most recent definition of the Decent Homes Standard was given in guidance from the Office of the Deputy Prime Minister in February 2004. The guidance is based on four main principles:-
 - a) It meets the current minimum standard for housing;
 - b) It is in a reasonable state of repair;
 - c) It has reasonably modern facilities and services;
 - d) It provides a reasonable degree of thermal comfort.
- 2.2 The standard is a *minimum* standard. The Government expects both social landlords and local authorities responsible for securing standards in the private sector to aim for the best standards attainable. The meaning of the individual criteria are explained in more detail below:-

a) *It Meets The Current Statutory Minimum Standard For Housing*

- 2.3 Previously the minimum standard for housing was the “fitness standard” set by the Housing Act 1985. The Act listed nine factors to take into account when a local Council is deciding whether a home is “reasonably suitable for occupation” and so “fit for human habitation”. (The factors included freedom from damp, structural stability, lighting, ventilation and amenities.)
- 2.4 The standard, which dates back 80 years and was last revised in 1989, is described in detail at Appendix E
- 2.4 The fitness standard has now been replaced by the Housing Health and Safety Rating System, prescribed method of assessment which applied risk assessments to hazards to health and safety found in the home. The system is described in detail at Appendix C.

b) *It Is In A Reasonable State Of Repair*

- 2.5 A home is in a reasonable state of repair unless:
- One or more key building components are old **and** because of their condition need replacing or major repair; **or**
 - Two or more other building components are old **and** because of their condition need replacing or major repair.

What are “key” and “other” building components?

- 2.6 Building components are the
- Structural parts of a dwelling (e.g. wall structure, roof structure),
 - Other external elements (e.g. roof covering, chimneys) and
 - Internal services and amenities (e.g. kitchens, heating systems).
- 2.7 **Key building components** are those which, if in poor condition, could have an immediate impact on building integrity and cause further deterioration in other components. They are the external components plus internal components that have potential safety implications and include external walls, roof structure and covering, chimneys, windows/doors, chimneys, fixed heating appliances and electrics.
- 2.8 If any of these components are old and because of their condition need replacing, or require immediate major repair, then the dwelling is not in a reasonable state of repair and remedial action is required.
- 2.9 **Other building components** are those that have a less immediate impact on the integrity of the dwelling. The standard takes into account their combined effect - a dwelling is not in a reasonable state of repair if 2 or more are old and need replacing or require immediate major repair.

What is old and in poor condition?

- 2.10 A building component is treated as 'old' if it is older than its expected or standard life. The Government lists the lifetimes that may typically be expected for individual building components e.g. 50 years for a roof structure.
- 2.11 Components are in poor condition if they need major work, either full replacement or major repair. Again the Government sets out definitions for different components. For example, with a wall structure this would mean replacing 10% or more or repairing 30% or more, and with a wall finish replacing or repointing more than 50%.
- 2.12 One or more key components, or two or more other components, must be both old and in poor condition to render the dwelling non-decent on grounds of

disrepair. Components that are old but in good condition or in poor condition but not old would not, in themselves, cause the dwelling to fail the standard e.g. a roof structure that was less than 50 years old but which had failed because of a fault.

c) *It Has Reasonably Modern Facilities And Services*

2.13 A dwelling is considered non decent under this heading if it lacks three or more of the following facilities:

- A kitchen which is 20 years old or less
- A kitchen with adequate space and layout
- A bathroom which is 30 years old or less
- A bathroom and WC located in an appropriate place
- Adequate noise insulation
- Adequate size and layout of common entrance areas for blocks of flats

2.15 These standards have been measured in the English House Condition Survey (EHCS) for many years. Examples in practice would be:-

- A kitchen with adequate space and layout would be too small to contain all the required items (sink, cupboards cooker space, worktops etc) appropriate to the size of the dwelling.
- A main bathroom or WC located in a bedroom or accessed through a bedroom (unless the bedroom is not used or the dwelling is for a single person).
- A dwelling would also fail if the main WC is outside or located on a different floor to the nearest wash hand basin - or if a WC without a wash hand basin opens onto the food preparation area.

d) *It provides a reasonable degree of thermal comfort*

2.16 The revised definition requires a dwelling to have both **efficient heating** and **effective insulation**.

2.17 Efficient heating is defined as any gas or oil programmable central heating or electric storage heaters or programmable LPG/solid fuel central heating. Heating sources which provide less energy efficient options fail the Decent Homes Standard.

2.18 Because of the differences in efficiency between gas/oil heating systems and the other types of system, the level of insulation considered appropriate also differs:

- For dwellings with **gas/oil programmable heating**, at least 50mm loft insulation (if there is loft space) and cavity wall insulation (if there are cavity walls that can be insulated effectively).
- For dwellings with the less efficient **electric storage heaters/LPG/programmable solid fuel central heating**, at least 200mm of loft insulation (if there is a loft) and cavity wall insulation (if there are cavity walls that can be insulated effectively). Loft insulation thickness of 50mm is an absolute minimum which will trigger action.

Appendix E

EXISTING HOUSING FITNESS STANDARD

S605 Housing Act 1985

A property, including a house in multiple occupation, is fit for human habitation unless, in the opinion of the Council, it fails to meet one or more of the following requirements and because of that failure is not reasonably suitable for occupation:

- (a) it is structurally stable;
- (b) it is free from serious disrepair;
- (c) it is free from dampness prejudicial to the health of the occupants (if any);
- (d) it has adequate provision for lighting, heating and ventilation;
- (e) it has an adequate piped supply of wholesome water;
- (f) there are satisfactory facilities within the dwelling house for the preparation of and cooking of food, including a sink with a satisfactory supply of hot and cold water;
- (g) it has a suitably located water-closet for the exclusive use of the occupants (if any);
- (h) it has, for the exclusive use of the occupants (if any), a suitably located fixed bath or shower and a wash hand basin, each of which is provided with a satisfactory supply of hot and cold water; and
- (i) it has an effective system for draining of foul, waste and surface water.

If the property is a flat and it meets all of the above requirements, it can still be unfit for human habitation if, in the opinion of the Council, the building or a part of the building outside the flat fails to meet certain requirements similar to items (a), (b), (c), (d) and (i) above and by reason of that failure the flat is not reasonably suitable for occupation.

Appendix F

Additional Information In Respect Of HMOs

DEFINITION OF HMO IN THE HOUSING ACT 2004

The definition of "house in multiple occupation" for the purposes of the Housing Act 2004 is significantly more detailed than the previous definition given in the Housing Act 1985

Section 254 provides that a building or part of a building is a "house in multiple occupation" if:-

- (a) it meets the "the standard test";
- (b) it meets the "self contained flat test";
- (c) it meets the "converted building test";
- (d) an HMO declaration under S255 is in force; or
- (e) it is a converted block of flats to which s257 applies.

A building or part of a building meets the **Standard Test** if:-

- it consists of one or more units of accommodation (not self contained flat or flats);
- the accommodation is occupied by persons who do not form a single household;
- the accommodation is occupied as their main residence;
- their occupation is the sole use of the accommodation;
- rent or other consideration is payable; and
- two or more households occupying the living accommodation share one or more basic amenities or the living accommodation lacks one or more basic amenities.

A part of a building meets the **Self Contained Flat Test** if:-

- it consists of a self contained flat; and
- all the conditions set out above for the standard test except the first apply

A building or part of a building meets the **Converted Building Test** if:-

- it is a converted building;
- it contains one or more units of living accommodation not self contained flat or flat(s); and
- all the conditions set out above for the standard test except the first apply

"Basic amenities" means a toilet, personal washing facilities or cooking facilities.

Schedule 14 to the Act excludes a number of buildings that would fall within the definition but for their ownership or type of occupation. These include properties owned by local authorities, RSLs, health, police and fire authorities etc together with student halls of residence, certain religious communities and properties where two households comprise two people.

Section 259 specifically states that a person is to be treated as occupying a building or part of a building as their main residence if they are a full time student or resident in a refuge.

A local authority may make a **HMO declaration** in respect of a building or part of a building where they are satisfied that, whilst the occupation in a manner which otherwise meets the requirements of the three tests is not the sole use of the building or part of a building, it does constitute a significant use of the accommodation or flat.

Property owners can appeal to the Lands Tribunal. A local authority can revoke an HMO declaration if they consider that it now longer applies. **Section 260** provides that there is presumption that the conditions of sole use or significant use are met unless the contrary is shown.

The 2004 Act also states that certain converted blocks of self contained flats are within the definition of “house in multiple occupation”:-

- (a) Where the building work associated with the conversion did not comply with appropriate building standards if not exempt at the time (if conversion before 1 June 1992 the Building Regulations 1991 or otherwise Section 1 of the Building Act 1984); and
- (b) Less than two thirds of the flats are owner occupied (by person(s) with a lease over 21 years or a freehold estate)

The 2004 Act makes the meaning of “person not forming a single household” in **Section 258** by stating that persons do not form a single household unless:-

- (a) they are all members of the same family,
- (b) their circumstances fall within descriptions given in regulations which the Act empowers appropriate national authorities to make.

Section 258 also sets out particular circumstances where person are to be regarded as members of the same family.

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